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NEWS SUMMARY

GENERAL

Gdansk street battles continue

For the second day, Polish riot police used tear gas, water cannon and smoke bombs to disperse people demonstrating against the banning of the Solidarity trade union outside the Gdansk shipyard.

Soviet Defence Minister Marshal Dmitri Ustinov pledged support for Poland and said Polish counter-revolutionaries were doomed to failure.

But in Geneva, the ILO said the dissolution of unions contravened its freedom of association convention, to which Poland is a signatory. Back Page

Thatcher tribute Mrs Thatcher applauded the "glorious chapter in the history of liberty" written by the Falklands task force, after a march through London by 1,250 servicemen. Picture, Page 8

SDP shrinking The Social Democratic Party is losing members and having trouble raising funds from industry and the City. Back Page; Conference reports, Page 18

'Fund parties' call Political parties should be able to assemble at public expense, a team of officials ready to move into the Civil Service, Sir John Hoskyns said. Back Page

Contempt cases The Sunday Times, Sunday People, Daily Star, Mail on Sunday and Sun are to be prosecuted for contempt of court over their reports on Buckingham Palace intruder Michael Fagan.

Suspect held Terrorist suspect Pierluigi Pagnani, wanted since the 1980 Bologna bombing, was flown to Rome from Bolivia severely wounded after a gunfight with Bolivian police.

Pasok expulsion Greek Premier Andreas Papandreu expelled from his Pasok party one of its founders, MP Aristodimos Boutoukos, for criticising proposed electoral reforms. Page 3

Airport strike Israel trade unions plan to close the country's airports today in protest against the grounding since last month of the state airline El Al. Page 3

Queen petitioned Australian Aboriginal Commission chairman Charles Perkins petitioned the Queen for pardons for 400 arrested in land-rights marches in Brisbane last week.

Unhappy prince Prince Andrew, apparently upset at intrusion by journalists, is cutting short his holiday in Mustique with actress Koo Stark, and will fly home alone today.

Briefly... Mr Mark Russell is to be Britain's ambassador to Turkey. Barclays Bank is to issue premium credit cards. Page 8 Malaysia's Sports Minister went on trial accused of shooting a political rival dead.

Financial Times The Financial Times apologises to those readers who did not receive their newspaper yesterday. Mechanical problems restricted production of the paper for the London area.

BUSINESS

Sterling up 1.05c against dollar

STERLING gained 1.05 cents to \$1.724. It was unchanged at DM 4.255, rose to FF 12.155 (FFr. 12.15) but eased to SwFr. 3.655 (SwFr. 3.65). Its trade weighted index was 83.0 (92.8). Page 29

DOLLAR continued to weaken. It fell to DM 2.4895 (DM 2.505), Fr 7.05 (FFr 7.05), SwFr 2.119 (SwFr 2.135) and NZ\$ 1.25 (NZ\$ 1.25). Its trade weighted index was 122.7 (123.1). Page 29

GOLD fell \$2 to \$436.5 in London. In New York the Comex October close was \$437.25 (\$446.75). Page 28

GILTS continued to advance. The Government Securities index added 0.73 to 83.56. Page 39

EQUITIES lost early momentum. The FT 30-share index fell 2.2 to 683.9. Page 39

WALL STREET was down 14.62 to 998.16 near the close. Page 34

CREDIT SUISSE First Boston, London, today becomes the first institution willing to guarantee a market in U.S. Treasury Bills outside the U.S. Back Page

UNITED ARAB Emirates cabinet approved a law under which a majority share in all companies in the UAE must be owned by local citizens. Page 32

TAX LOOPHOLES exploited by the multinationals should be tightened, an Institute for Fiscal Studies report says. Page 8

BMF plans to seek more loans from members. Page 5

AUSTRALIAN WHEAT harvest is forecast at 8.9m tonnes, smallest since 1972 and 7.5m tonnes down on last year. Page 28

BL CARS' senior shop stewards rejected the management's offer of a two-year pay package. Page 10

MATCHBOX TOYS' new owner, Universal International Holdings of Hong Kong, is to close its Hackney, East London, plant with the loss of about 1,000 jobs.

ROYAL DUTCH / SHELL Group is to cut about 800 jobs at its European research centres. Back Page

INTERNATIONAL PAPER, U.S. papermaker, reported net income down from \$285.4m to \$133.6m (£78m) for the first nine months of 1982. Page 30

SAAB-SCANIA, Swedish truck, car and aerospace group, lifted net earnings by 28 per cent to SKr 790m (£63m) in the first eight months of this year. Page 31

HARRIS QUEENSWAY, carpets and household furniture retailer, raised taxable profits from £3.82m to £4.93m for the six months to June 27. Page 25

COMBINED ENGLISH Stores Group turned in pre-tax losses of £1.67m in the 28 weeks to August 14, against profits of £118,000. Page 27

Hunt report calls for minimum restrictions on cable television

MULTI-CHANNEL cable television should be allowed to expand in Britain with a minimum of official restrictions if it is to achieve its full potential, says a report to the Government published yesterday.

COMMITTEE'S MAIN RECOMMENDATIONS

- A central authority to award franchises to cable system operators and exercise "oversight" by ensuring that operators live up to their promises and by hearing complaints.
- Franchises awarded on the basis of competitive bidding, initially for 10 years and later for eight years.
- No enforced separation between providers of physical cable networks, cable operators, programme providers and programme makers.
- No limit on the number of cable channels offered. Programme diversity encouraged. Operators free to set charges and determine their programmes and services.
- Decency standards the same as those imposed on the BBC and ITV, with no special impartiality rules. "Premium" channels, available only by special subscription, which the viewer could blank out with an electronic "lock" on the receiver, would not have to comply with such standards.
- Freedom to carry advertising and sponsored programmes. "Pay per view", whereby subscribers pay to watch a particular programme, not allowed at present.
- New cable systems required to carry all BBC and ITV channels. Existing systems with limited capacity exempted for up to five years.
- Restrictions on some major sporting events being shown exclusively on cable.
- The central oversight authority empowered to revoke the franchise of a cable operator considered to be unsatisfactory or to subject him to close regulation.

Japanese premier set to quit

JAPAN faces a potentially serious leadership crisis with the unexpected announcement yesterday afternoon by Mr Zenko Suzuki, the Prime Minister, that he will not seek re-election next month as leader of the ruling Liberal Democratic Party.

Miners seek overtime ban exemption

AT LEAST two mining areas—and possibly a third—are to seek full or partial exemption from the national overtime ban imposed by the National Union of Mineworkers. The requests will be made at tomorrow's meeting of the union's executive committee.

World may face new oil crisis

THE WORLD could be heading for a new fuel crisis, according to the International Energy Agency.

Fall in interest rates lifts gilts to record peak

INTEREST RATES continued to fall steeply on both sides of the Atlantic yesterday and London gilt edged security prices scaled new heights.

World may face new oil crisis

THE WORLD could be heading for a new fuel crisis, according to the International Energy Agency.

The agency, representing 21 major developed countries, said yesterday that the oil supplies surplus concealed underlying problems. A crisis could come towards the end of the 1980s when rising industrial activity could put pressure on the world oil market.

Big cut likely in building societies' mortgage rate

A CUT of between 1½ and 2 percentage points in the building societies' base mortgage rate seems likely to be announced when society chiefs meet in London on November 12.

Fall in interest rates lifts gilts to record peak

INTEREST RATES continued to fall steeply on both sides of the Atlantic yesterday and London gilt edged security prices scaled new heights.

The Bank of England dropped its money market dealing rates by a 4 percentage point. This makes a cut of a 4 percentage point in two days. It clears the way for a further fall of clearing banks' base lending rates to 9½ per cent in the next few days.

How Grindlays helps BL export

As one of Britain's largest exporters, BL needs the services of an international bank and Grindlays meets this need around the world.

How Grindlays helps BL export

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In London the Corporate Banking Department and Export Finance Department co-ordinate the efforts of our offices and specialist departments in many countries around the world.

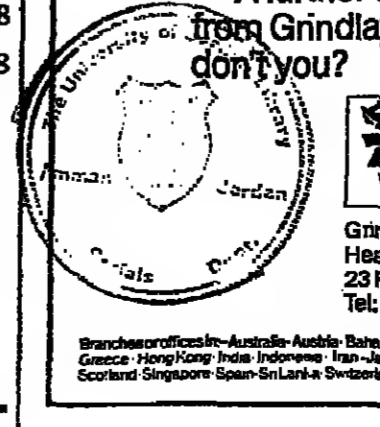
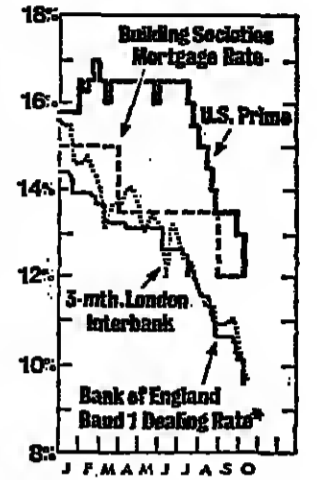
Successful examples of this teamwork include the financing of BL exports of buses and Land Rovers to Hong Kong, Malaysia and elsewhere in the Far East and the provision of advance payment and performance bonding cover.

A further example of international finance from Grindlays—BL banks on Grindlays—why don't you?

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS		FALLS	
Treas 121pe	1986 Cnv... £118½ + 1½	Pearl Assurance...	486 + 11
Treas 151pe	1990... £130½ + 1½	Quest Automation...	35 + 8
Almida Holdings	302 + 5	Royal Insurance...	428 + 10
Ash and Lacy	353 + 37	SelectV...	39 + 10
BSR	52 + 10	Union Discount	890 + 25
Bambors	20 + 4	Blyvoor	805 + 51
Barratt Devs	412 + 6	Impala Platinum	302 + 30
Cirn	78 + 6	Lydenburg Plat	150 + 12
Clive Discount	42 + 10	Minoreo	476 + 11
Comet Group	354 + 18	RTZ	444 + 6
Druck Holdings	315 + 65	Rustenburg Plat	250 + 36
Fairclough Cons	224 + 8	FALLS	
Glaxo	£10 + 4	Cmb English Stores	29 - 5
Greenwich Cable	60 + 4	Cope Allman	45 - 4
Harris Queensway	288 + 20	Office Electronic	410 - 60
Littler (F. J. C.)	300 + 12	Plessey	640 - 13
Mercantile House	470 + 40	Racal Elect	602 - 12
Noble and Lund	13 + 2	Riley Leisure	104 - 7
		Wood (S. W.)	8 - 2
		Ultramar	440 - 13
		Hong Kong Tin	640 - 30

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EUROPEAN NEWS

Norwegian offshore strike threatened

By Fay Gjester in Oslo
PRODUCTION WORKERS on Norway's Ekofisk, Frigg and Statfjord oil and gas fields have threatened to strike from mid-day today unless their employers produce an improved offer on pay and working conditions. A strike would affect gas supplies to both Britain and the Continent and would cost Norway around Nkr 150m (£12.7m) a day in lost production revenues.

The employers' earlier offer—a compromise worked out after negotiations last August—was rejected in a ballot of the workers involved. Most of them are members of OAF, an independent union operating in the three fields. Norway's fourth producing field, Vathall, will not be affected by a stoppage. It came on stream only a fortnight ago and workers there are not OAF members.

When the 947-811 ballot result was published last Monday, the union called a meeting, which voted to set today's strike deadline. The Government, however, may well decide to submit the dispute to compulsory arbitration, thus averting a strike.

Representatives of both sides were due to meet last night in the state arbitrator's office for a final attempt at a settlement.

OFFICIALS STUDY MITTERRAND PLAN TO HELP CORPORATE BORROWING

France may ease cost of investment loans

By David Marsh in Paris

FRENCH GOVERNMENT officials are studying plans put forward by President Francois Mitterrand to lower the interest rate burden on companies borrowing funds for investment projects.

The scope of the plan is still not clear. Already, under present arrangements between the Government, banks and industry, a sizeable proportion of corporate borrowing is at subsidised rates of interest. Banks are also taking part in a growing number of restructurings to help companies in difficulties.

During a tour of the Pyrenees region a fortnight ago, President Mitterrand spoke of a "moratorium" to aid industries hit by high interest rates. The term annoyed at least one top

official in the nationalised banking sector by appearing too drastic and conjuring up memories of the inter-war depression.

It has since emerged that any initiative will concentrate simply on helping companies which borrowed medium-term funds for investment purposes at fixed rates of interest during the past two years or so.

M Jacques Delors, the Finance Minister, is known to be worried that such companies will find debt charges will not be able to take advantage of the falls in market interest rates which the Government hopes will occur as inflation slows.

M Pierre Mauroy, the Prime Minister, said in a newspaper

interview yesterday that it might be possible to have a "special" interest rate for investment projects in the same way that agriculture and house-building loans are already extensively subsidised.

He made clear that any "moratorium" would apply only to special cases. One option being suggested by Government officials is that such cases could be handled by the state financing agency, Credit National.

The Government has underlined with increasing frequency in recent months the urgency of bringing down interest rates to aid an investment-led recovery. But the big banks' base lending rates have fallen by only 0.75 percentage points

over the past year in spite of the big drop in U.S. interest rates.

French money market interest rates, to which base rates are loosely linked, have dropped only slightly in response to the latest easing of U.S. monetary policy. Officials said yesterday that France would be cautious about lowering rates further. This is in view of uncertainties about the position of the French franc on the currency markets after the round of Scandinavian devaluations, they said.

The nationalised banks have come under increasing pressure lately from the Government to aid companies in distress by restructuring loans and sometimes arranging moratoria.

Bankers say that pressure has arisen both from the interventionist leanings of the Government and from the general deepening of the recession.

As an indication of the importance of subsidised credit in France, a report from the Bank of France published two years ago showed that 44 per cent of all credits throughout the economy were granted at below market interest rates. The proportion was 85 per cent for housing loans and 25 per cent for credits to companies outside the building sector.

● M Mauroy (right): special rate possible.



Key terror suspect flown back to Italy

By Rupert Corwell in Rome

THE ITALIAN authorities are hoping that the capture in Bolivia of Pierluigi Pagliai, a long-wanted right-wing terrorist suspect, will prove an important step towards solving the mystery of the bombing at Bologna railway station in August 1980, in which 85 people died.

The 28-year-old Pagliai, one of five people against whom Bologna magistrates issued arrest warrants last September, was seized and handed over to Italian police after being wounded in a gunfight on Monday with Bolivian security forces.

He arrived back at Rome's Fiumicino Airport yesterday amid exceptionally tight security precautions. The DC-10 aircraft was transferred directly to an Alitalia maintenance hangar, and Pagliai was loaded on to an ambulance which took him to a Rome hospital.

The exact circumstances of his arrest are still not entirely clear. Officials say, however, that members of the Italian intelligence and police forces had been in Latin America for some days on the trail of neo-fascists wanted in connection with the Bologna massacre and other right-wing terrorist attacks here in recent years.

The Italians, acting in concert with the Bolivian authorities, are understood to have chartered the Alitalia aircraft for the express purpose of bringing the suspects back to Rome immediately.

Pagliai has been wanted by the Italian authorities for six years. But it seems that Stefano Delle Chiaie, whom police suspect as a leading figure in right-wing extremism here and who is also on the run in South America, managed to escape on this occasion. Delle Chiaie was charged, too, last month with taking part in the 1980 bombing.

The events in Bolivia came only a few days after a police dragnet which rounded up more than 30 suspected right-wing terrorists in northern Italian cities. But despite two years of endeavour, magistrates so far have failed to produce watertight evidence against anyone charged with involvement in the Bologna attack.

Commission to challenge Irish petrol ruling

By Our Dublin Correspondent

THE EUROPEAN Commission is to challenge, on the grounds that it breaks rules on freedom of trade, an order made by the Irish Government requiring petrol companies to buy up to 35 per cent of their products from the state-owned Whitegate refinery in County Cork.

Senior Commission officials have accepted the findings of a committee and decided that the order to petrol companies to buy from the state amounts to an illegal restriction on trade in oil products between member states.

The order, made by the Government last month, has increased by more than half the price of a gallon of petrol and has aroused considerable controversy. That decision will be formally challenged by the Commission next week when legal proceedings in Brussels will be set in train.

Ecevit cleared

Mr Bulent Ecevit, the former Turkish Prime Minister, has been acquitted by a military court of denigrating Turkey's image abroad. Reuters reports from Ankara. He is still serving a jail sentence, however, for separate but similar charges brought against him earlier this year.

Exchange control fears allayed for property-owning foreigners

By David Housego in Paris

THE Bank of France has formally confirmed that foreign residents can hold abroad funds generated outside France.

The move is seen as an important step to allay fears of foreign residents who thought they might be trapped by the tightening of foreign exchange controls which has been a feature of France since the Socialists came to power in May last year.

Among foreign residents that the authorities are eager to soothe are wealthy property owners in the South of France.

Before the new Bank of France circular, foreign residents who had lived in France for more than two years were officially subject to the same foreign exchange control regulations as French nationals who are required to repatriate their overseas income.

In practice, the Bank of

France tolerated foreign residents maintaining accounts abroad. But there have been grey areas of dispute which have grown with the strengthening of the exchange control regulations.

The Bank of France issued its circular in August, but to a limited number of banks and at a time when most people were on holiday.

It has had little publicity in

France, and bankers suspect that in bringing it out quietly the Bank of France hoped to avoid too many foreigners taking advantage of its provisions.

The circular specifies that foreign residents can hold abroad income from their professional activities—property, shares or deposit accounts acquired before they became residents—and property acquired through gifts or inheritance.

Whether before or after residence has been established.

Along with this relaxation the Bank of France has declared that foreign residents can repatriate funds earned in France. The Bank has also delegated to authorised commercial banks some of the powers it held for supervising the implementation of exchange regulations for foreigners.

● M Charles Hernu, the French

Defence Minister, had talks yesterday with Mrs Indira Gandhi, the Indian Prime Minister, on the second day of his three-day visit to boost defence co-operation between the two countries. Reuters reports.

India has already decided to buy French Mirage 2000 combat aircraft. France also wants to sell helicopters to the Indian navy.

● M Charles Hernu, the French

Europe optimistic over U.S. steel pact

By Larry Klinger in Brussels

THE EUROPEAN Commission yesterday discounted reports from Tokyo that the U.S. steel industry might insist on including a limit on stainless steel imports as part of a bilateral steel trade settlement.

Commission officials said that the pipes and tubes issue was the "only real landmine left in the terrain separating us from an agreement with the U.S."

They were optimistic that they were on the verge of concluding a steel pact with the U.S. provided an acceptable arrangement could be found to cover pipe and tube products.

Following a meeting of world steel executives in Tokyo, Mr David Roderick, chairman of U.S. Steel Corporation, said there could be no satisfactory pact to settle the steel row without pipes, tubes and stainless steel included.

Commission officials said that greater protection for stainless steel was a U.S. trade union demand that did not figure in their negotiations with the U.S. industry.

On Friday, the U.S. International Trade Commission is scheduled to rule on U.S. steel companies' charges that EEC exports have damaged their industry. Its ruling has been postponed once, to permit negotiations to continue but U.S. companies are not expected to agree to any further postponement.

Ian Rodger in Tokyo adds: In a speech to the annual dinner of the International Iron and Steel Institute, Mr Shintaro Abe, Japan's Minister of International Trade and Industry, rejected U.S. Steel's claims that Japan has been exporting steel unfairly to the U.S. as "completely groundless."

He said that Japan's exports to the U.S. in July and August were about one-third lower than a year earlier and expected that they would be 50 per cent lower in September and October.

Mr Roderick said Japan's exports to the U.S. in 1982 would be at about the same level as 1981, "and that in a declining market, as their market share is up." He called Mr Abe's reaction to U.S. Steel's complaint "disappointing."

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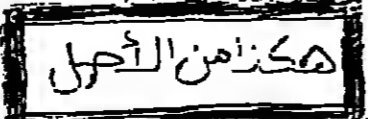
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Base Rate Change

BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 13th October, 1982 and until further notice their Base Rate for lending is 10% per annum. The deposit rate on all monies subject to seven days' notice of withdrawal is 6½% per annum.

Robert Graham assesses left-wing poll prospects in northern Spain
Radical voices muted and waiting

WHEN Jose Angel Fernandez-Villa speaks he projects that rare mix of self-confidence and physical strength which inspires respect. He is the unquestioned leader of the most powerful individual union in Spain, Soma-UGT, the Socialist mining union in Asturias.

He can call on 13,000 paid-up militants whose motto is "Grassroots democracy, iron discipline." In Asturias, whose economy centres on mining and the industry it supplies, everyone in the Socialist Party defers to him.

Even though he is not standing for Parliament in the current election campaign, his views and those of his members will be the most influential. They are a good deal more radical than those of the Socialist Party programme. But he is prepared to concede that "If the Socialist Party is to get a majority in Parliament, then we have to accept that we offer a realistic programme in a time of severe recession and continued threats to democracy."

The Socialist programme has been couched in moderate terms that many in Asturias think have little to do with socialism. This has been done to win the maximum level of national acceptability for the party. If it gains an absolute majority on October 28, then radical pressures will grow.

country's mining industry, provided the most consistent resistance. It was here, too, that CCOO, the Communist-controlled trade union, was formed secretly in one of the big private mines. Soma-UGT and CCOO in Asturias were the sole unions to call a general strike on February 24 1981, in protest at the seizure of Parliament by members of the Guardia Civil while the rest of the country watched in fearful silence.

parliamentary seats for Asturias were handed out on the following basis—four Socialists, four to the ruling Union de Centro Democrático (UCD), one to the Communists and one to the right-wing Alianza Popular of Sr Manuel Fraga. The projections for the present election indicate the extent of the serious stake-up in Spanish political parties which have occurred since then.

"We think we can get up to six," says Sr Pedro de Sive, a young lawyer, who heads the Socialist list of candidates and is tipped as a future head of

INI, the state holding company. The Socialists are confident of having picked up Communist votes and those who voted for parties to the left of the Communists, while also robbing some from the UCD. The UCD is holding Sr Matias Rodriguez Insarte, currently Minister without portfolio in the Cabinet. Although an Asturian, he is little known locally and is identified with the far-away, big city of Madrid. He will be lucky to win his seat. The CDS, former Premier Adolfo Suarez's new party, has made considerable impact, above all by producing well-known and well-liked local figures led by Sr Alejandro Rebollo, a former head of the national railways. The party is given a good chance of gaining a seat. The Communists, meanwhile, are convinced they will retain their seat, and Alianza Popular, going for the rural farming vote which still comprises more than

30 per cent, is confident of gaining two seats. What gains they all make are likely to come at the UCD's expense. On a small scale, Asturias also demonstrates clearly the subtle but important change that would occur by the very fact of a Socialist victory. The Socialists dominate the newly-formed regional junta and the bulk of the local councils.

"This will mean less friction in the transfer of power and a much greater willingness to understand problems like dealing with pollution—a major issue here with contamination in towns like Aviles and Langreo way above the European norm," says Sr Gerardo Bustillo, a Socialist architect.

Unions have a serious complaint in the unresolved position of their possessions seized by the Franco regime. There are some 15 large buildings in Asturias whose full restitution is being demanded—buildings built by popular subscription to act as libraries, social centres and theatres.

Last year, Soma-UGT obtained use without funds and title to some of these buildings. "We cannot say democracy is restored until our rightful property is returned," said one union leader.

But a Socialist victory would be likely to bring its own problems. This was evident at a meeting in Gijón addressed by the main Socialist candidates.

One woman persistently asked: "You call yourself a party advocating liberty, but what about the freedom of women to choose to abort?" She was told politely but firmly that Spain was not ready for such a reform.

In more general terms, the message was that the Socialist leadership in Madrid knew what was best for Spain. This did not satisfy everyone present and underlines that some 25 per cent of the party are reckoned to hold positions to the left of the electoral programme.

Pym pledges UK backing on Mid-East peace bid

By Roger Matthews in Cairo

BRITAIN'S FOREIGN Secretary, Mr Francis Pym, concluded his first visit in that capacity to the Middle East yesterday, encouraged by the attitudes of both Egypt and Syria to President Ronald Reagan's peace proposals.

After talks in Cairo with President Hosni Mubarak and Mr Kamal Hassan, All Egypt's Foreign Minister, Mr Pym declared that it had been hard for them to find any areas of disagreement on Middle East issues.

He also praised the Syrian leadership for the "very wise way" it was seeking further details of the Reagan proposals before making any formal judgment.

Mr Pym believed that the current talks in Amman between King Hussein of Jordan and Mr Yasser Arafat, chairman of the Palestine Liberation Organisation, and the visit later this month to Washington by an Arab League delegation, would be vital elements in the peace process.

He pledged Britain's full support, and emphasised that the future status of the Israeli-occupied West Bank and Gaza was something for the Palestinians to decide.

The Foreign Secretary urged the PLO and Israel to recognise each other's rights and again corrected his impetuous wording in Damascus when he appeared to suggest that British Government policy favoured the creation of an independent Palestinian State.

He said that Britain maintained an open mind on the future status of the West Bank and Gaza. "In the end, it must be for the Palestinians to decide," he stressed.

Washington may be cool to Israeli request for aid

BY DAVID LENNON IN TEL AVIV

ISRAEL'S Finance Minister, Mr Yoram Aridor, must have had his fingers firmly crossed when he presented Israel's \$3.1bn (£1.8bn) aid request for 1983-84 to the U.S. ambassador in Israel. Given the current political strains between Washington and Jerusalem, Israel may be lucky to get as much as the \$2.2bn aid given this year.

Having angered the Reagan Administration by its actions in Lebanon and its outright rejection of the Reagan Middle East peace plan, the Begin Government must be sincerely hoping that Mr Samuel Lewis, the U.S. ambassador, was speaking for the President when he said that Washington does not attach any strings to its aid.

The Israeli Treasury's aid request goes to some pains to point out that Israel is not asking the U.S. to foot any of the \$1bn direct costs or the \$400m indirect costs incurred during its military adventure in Lebanon.

Explaining the need for the continued help, the document tells a sad tale of declining economic performance this year. Inflation has soared, foreign debt has increased and the trade deficit has risen sharply, for the first time since 1979.

The cost of servicing Israel's debt will register a heavy increase in 1983-84 to exceed \$3bn for the first time. Interest and capital repayments of the \$18bn debt came to \$2.2bn this year, virtually the same as the total annual aid from the U.S.

The new request seeks \$1.9bn in military aid, of which Israel would like half to be in the form of a grant, and \$1.2bn in economic aid which the Treasury would like to receive totally as a grant.

ALL ISRAEL'S air links with the outside world will be cut off from 8 am today as civil aviation workers stage a 24-hour warning strike. David Lennon, reports from Tel Aviv.

The strike would be in protest at the Government's handling of a dispute with the El Al workers which has grounded the national airline for the past month.

The Government is threatening to dismantle the company if the 4,000 workers do not sign a new labour contract designed to prevent a recurrence of the strikes which have plagued the airline in recent years.

Israel's powerful public-sector unions have decided to call selective one-day strikes in various sectors of the economy to protest at what they regard as a government attempt to dictate the labour contract in El Al.

Israel is asking not only for an increase in overall aid but also wants a higher proportion of it in grant form. Describing the performance of the economy this year, the Treasury notes that despite earlier expectations, inflation has risen from the 100 per cent level of last year to a current annual average of around 130 per cent.

But at the same time it expresses confidence that the recent measures to slow the depreciation of the shekel—the curb of price rises by subsidising basic commodities and the cuts in purchase tax on consumer durables—will halt the trend of soaring inflation.

After a good year in 1981 when overseas earnings rose 7.5 per cent, Israeli exports showed a decline of 6 per cent in the first eight months of 1982. This is attributed jointly to the continuing slump in the diamond market and the recession in Western industrialised countries. Import costs have been rising during the year due largely to an increase in oil imports.

The result will be a \$500m growth in the trade deficit to \$2.5bn, the first time the non-military deficit has increased since 1979. There is some expectation that this will be offset by a fall in defence imports, and that the total balance of payments deficit, civil and military, will remain at about the same level as last year's \$4.4bn, or perhaps even drop slightly.

The growth in the non-military deficit has forced Israel to borrow more abroad, thus pushing the external debt way past the \$17.8bn which it had reached by the end of last year.

The response of Washington to Israel's new aid request is likely to be influenced by the findings of a large U.S. Congressional delegation which is currently visiting Israel to examine how it uses American aid. Even before this first-ever such examination is completed, local newspapers have commented that the aid request left the clear impression that the Government's attitude to the deteriorating state of the economy was that "the Americans will pay."

They called on the Government to reduce Israel's economic dependence on the U.S., so making it less vulnerable to demands for political concessions.

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Papandreou stamps down hard on signs of rebellion in party

BY VICTOR WALKER IN ATHENS

FOR THE THIRD time in as many months, Mr Andreas Papandreou, the Greek Prime Minister, has acted ruthlessly to quell signs of mutiny among MPs in his Panhellenic Socialist Movement (Pasok).

It involved Mr Aristodimos Bouloukos, who has been expelled from the party for disagreeing with Pasok's line on abolition of crosses of preference in general elections. A Bill amending the electoral system is now going through Parliament, where it faces strong opposition from the conservative New Democracy Party and the Communists.

Under the existing electoral law, a voter casts a ballot for the party he supports and puts a cross against the name of the candidate he would prefer to see in Parliament. The number of crosses determines which candidates are elected by a particular constituency.

The Government proposes to replace this by a listing of candidates in the order in which they will be elected, subject to the number of votes received by the party, without crosses of preference. For Pasok candidates, the order will be determined by Mr Papandreou.

The intention, says the Government, is to reduce the dependence of an MP on his constituents and turn him into a "representative of the nation," at the same time ending costly and sometimes vicious in-fighting among rival candidates of the same party during election campaigns.

Echoing New Democracy Party objections, Mr Bouloukos wrote a letter to Mr Papandreou asserting that the decision would work against "popular sovereignty" and "transform the system from a parliamentary democracy into a parliamentary oligarchy." Expelled within hours of

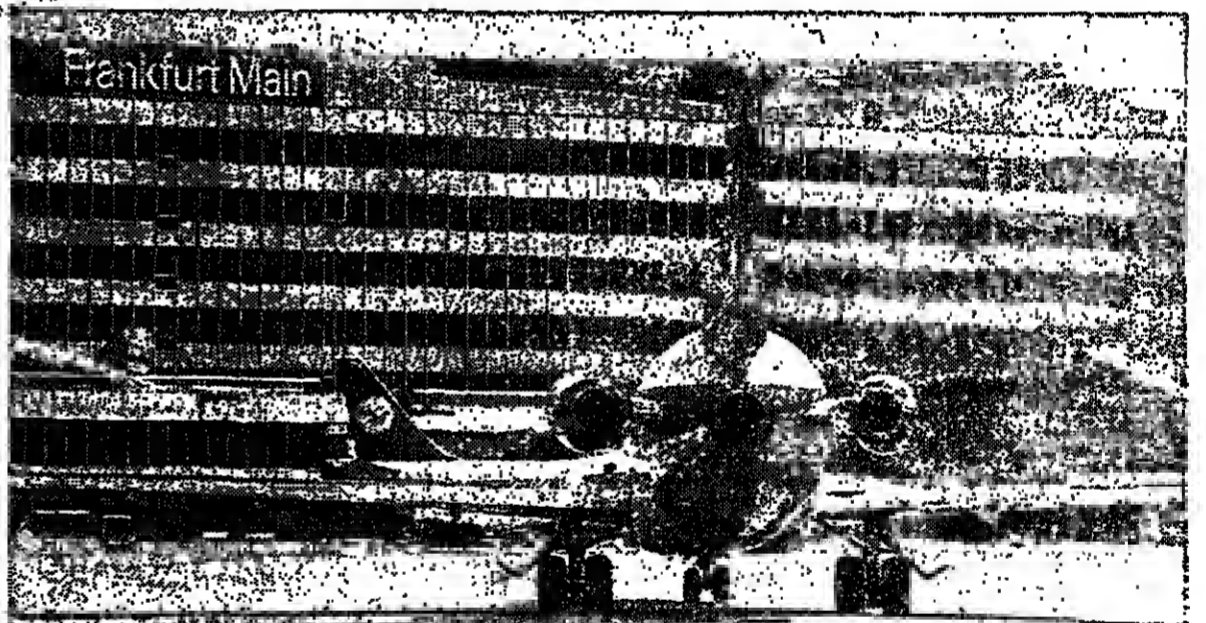
delivering his letter last Monday, Mr Bouloukos said the decision demonstrated the absence of "any possibility of dialogue and right of disagreement within Pasok."

Mr Bouloukos, a former army captain and founder-member of Pasok, has represented a Peloponnese constituency for the party since 1977. In 1965 he was sentenced to 25 years in jail by a court martial for alleged involvement in a movement of young officers that was said to have political ties with the present Prime Minister.

He was released under a Christmas amnesty in 1967.

His removal from the party reduces its parliamentary strength to 167 in the 300-seat house. The question now hanging over Mr Papandreou is whether other defections will follow when the "crosses" bill is put to the vote. Reuter

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OVERSEAS NEWS

Toshio Komoto: A man who has left his mark

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO



Mr Toshio Komoto

ONE OF the ironies of Mr Zenko Suzuki's sudden announcement yesterday that he had decided not to run for re-election as president of Japan's ruling Liberal Democratic Party was that at the time he made it no other politician had publicly admitted to being interested in the job.

Mr Suzuki's principal rival, Mr Toshio Komoto, had repeatedly told journalists that he was still trying to decide whether to run in the election and warned that he would probably not make up his mind until the eve of the October 16 deadline.

As a politician Mr Komoto's hallmarks are an austere public personality, including a reputation for seldom or never smiling, and a tendency to be precise about economic issues that other politicians either fail to grasp or prefer to gloss over.

An outsider in both politics and business—where his adventurous policies were not always appreciated by his competitors, Mr Komoto would be a surprise choice as Party leader and an uneasy partner for the more conservative present-day leaders of Japan's business world.

Michael Holman, recently in Nairobi, examines President Moi's good economic intentions

Chastened Kenya tries crisis measures

"SELF-SUFFICIENCY" was the slogan emblazoned on many of the stands at this year's Nairobi International Show at Jamhuri Park, on the outskirts of the Kenyan capital.

The choice of the slogan followed the lead given by President Daniel arap Moi a few days before the show's opening last month, when he outlined his programme aimed at restoring the confidence of Kenyan and foreign investors in the wake of the abortive air force coup attempt last August.

Kenya's terms of trade have fallen by 27.5 per cent since 1976, partly because of poor prices for the two main export crops: coffee and tea.

Re-introduction of an export compensation scheme which had been abruptly ended in mid-year, much to the dismay of major exporters.



President Moi: wide-ranging reforms

Prospects of additional aid on this scale are remote, however, despite the Government's argument that the coup cost the country some \$200m in damaged property, lost tourist receipts and capital outflows.

India orders inquiry into Delhi riot

By K. K. Sharma in New Delhi

THE INDIAN Government has ordered a judicial inquiry into the rioting by Sikh demonstrators in New Delhi on Monday in which four people died.

The inquiry has been called following widespread concern over the turn of events springing from agitation by the Akali Party of Sikhs, in Punjab State, in support of religious and political demands.

The rioting led to four deaths in firing by armed militia when an attempt was made to storm Parliament. Fifty police were injured in the fighting.

An added cause for anxiety is that Punjab borders Pakistan and is therefore important for strategic reasons.

Cancellation of Opec meeting highlights split

BY RICHARD JOHNS

CONTINUING and serious divisions within the Organisation of Petroleum Exporting Countries were emphasised yesterday by the cancellation of the meeting of its monitoring committee scheduled to take place in Vienna on October 26.

Dr Otaiba was until this week optimistic that an extra-ordinary ministerial conference might be held immediately after the next scheduled meeting of the monitoring committee.

According to reports from Abu Dhabi the only reason given by him for the cancellation of the meeting of the four-man committee established in March to review market trends and make recommendations about Opec's collective production levels was the weak state of demand.

Libya is doing so most flagrantly and in the process is maintaining a rate of output in excess of 1.2m b/d compared with the allocation given to it under the short-lived production programme adopted in March of only 750,000 b/d.

Zimbabwe cuts foreign currency allowances

BY OUR HARARE CORRESPONDENT

FOREIGN CURRENCY allocations to importers and holiday travellers have been substantially reduced, Dr Bernard Chidzero, the Zimbabwe Finance Minister, said yesterday.

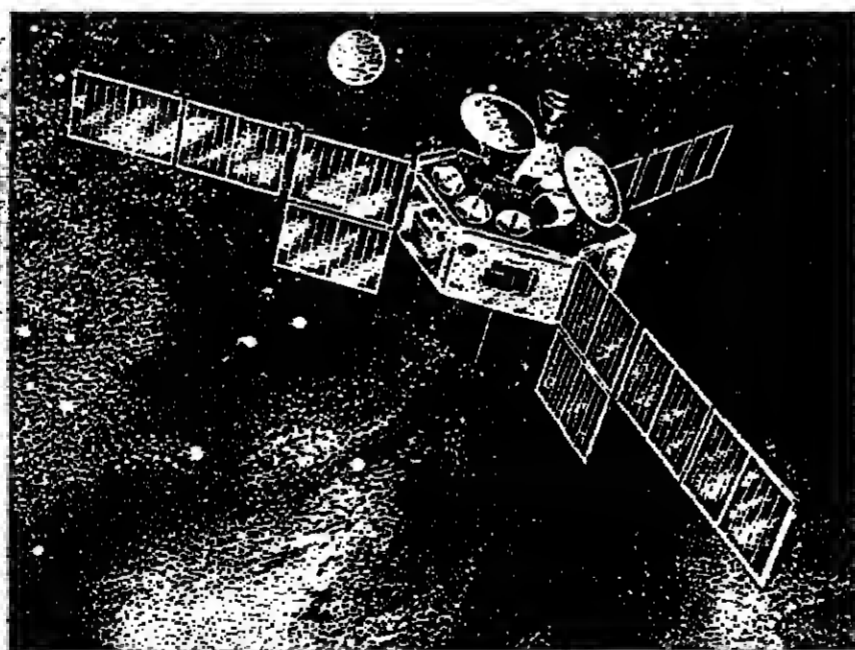
1982 and this reduction will take quotas back to two-thirds of their levels of a year ago.

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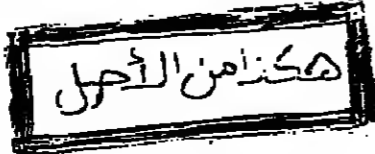
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Australia funds inflow soars

By Michael Thompson-Noel in Sydney

TOTAL FOREIGN investment in Australia in the June quarter soared to A\$4.2bn (£2.35bn), more than double the level of the previous quarter.

The surge of investment inflow in the June quarter was caused by a combination of record local interest rates—which have now eased slightly—and the delayed effects of the Australian resource boom.

Of the total, A\$1.1bn was in the form of direct investment, principally in finance, property, manufacturing and mining stock. The remaining A\$3.1bn was in the form of portfolio investment and loan funds.

The need for finance was sufficiently great to cause a shift of emphasis away from traditional lenders, such as the U.S. and UK, to capital raisings in Singapore, which accounted for 19 per cent of total funds in 1981-82, against 6 per cent the year before.

Mr Charles Perkins, chairman of the Australian Aboriginal Land Commission, yesterday petitioned the Queen, asking for pardons for the 400 people arrested during land rights marches in Brisbane last week, during the Commonwealth Games.

Mr Perkins had planned to hand the petition to the Queen at a reception at Parliament House in Canberra last night, but was persuaded by Mr Malcolm Fraser, the Prime Minister, to pass it to the Queen's senior private secretary, Sir Philip Moore, at Government House.

Coutts & Co. advertisement for reduced base rate and deposit rate on monies subject to seven days notice of withdrawal.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED notice to shareholders regarding dividends and company matters.

Bolivian forces' commanders vow an end to coups

BY MARY HELEN SPOONER IN LA PAZ

BOLIVIA'S three-day-old civilian Government appears to have reached a truce with the country's armed forces, adding an air force general to the Cabinet and appointing four new officials in the posts of commander-in-chief of the armed forces and commanders of the army, navy and air force.

Two of the new commanders immediately announced that the era of coups d'état was ended.

President Hernán Siles Zuazo has named the former air force chief of staff General Oscar Villa Uriste, as Minister of Aeronautics. Gen. Villa was sworn in along with Gen. Alfredo Villarroel, commander in chief of the armed forces, Gen. Simón Siles Tordeva as army commander, Gen. Juan Muñoz as air force commander and Vice-Admiral Wilfredo de la Barra as naval commander.

A remaining Cabinet post—that of Minister for Urban Affairs—has not been filled.

The new military high command is considering to represent "institutional" elements in Bolivia's armed forces: those officers who want the military to stay out of politics and who would like to establish a more professional and disciplined

Guerrillas launch attack on army post

SAN SALVADOR

SAN SALVADOR—Guerrillas launched an attack on an army post in an effort to retake an army post and a nearby town seized by 700-left-wing guerrillas in what officials said was one of the fiercest attacks in three months.

A military spokesman said reinforcements were being sent from several garrisons but movement was slow because the rebels had mined a number of roads.

A-37 fighter aircraft and Huey helicopters bombed and strafed the area north of San Salvador on Monday in an effort to keep the rebels from spreading their offensive.

The guerrillas overran the 100-man army post on a ranch 50 miles north of the capital on Sunday night, then seized Las Vueltas, a nearby town of 5,000 people.

Eleven government troops were killed, including the post commander, Lt. Vicente Chavez Melendez, and 15 were wounded in the fighting at the post, a spokesman said. Another 35 soldiers are still missing, and 50 were probably captured, he said.

Four National Guards were killed in the attack on Las Vueltas, he said.

O'Shaughnessy detects a desire by Government and guerrillas for peace talks

Exhausted El Salvador in bloody stalemate

El Salvador has been at the world's headlines since the controversial election in March, the toll of which was properly destroyed by the continuing war there mounts daily. Claiming victory, but privately conscious that the hostilities have reached a stalemate, each side—the right-wing government of President Álvaro Magaña and the left-wing FMLN guerrillas—is now moving cautiously crabwise towards negotiations.

In the last week of September 24 people, including 16 civilians, died and 10 more "disappeared" as the fighting restarted in earnest after last month's disastrous floods. That was not such a bad week.

The total of civilian dead in the first eight months of the year, according to the Central American University in San Salvador, came to 3,655. Military casualties must be added to that figure.

In the countryside the peasant is, as always, bearing the brunt of the killings while in the towns' trade union leaders, human rights workers and members of the right-of-centre Christian Democratic party have specially suffered. Hundreds of thousands of people in a country of 4.5m are displaced from their homes and live in camps inside El Salvador or abroad.

The economy has been bleeding no less profusely. The Economy Ministry notes that the



Riding Shotgun... a Salvadoran soldier guards supplies leaving Santa Clara, where guerrillas are coming under counter-attack.

gross national product fell 9.6 per cent in 1980, 3.5 per cent last year and will doubtless continue its downward slide in 1982.

Agriculture has been so hard hit that this year El Salvador will probably be importing sugar for the first time for many years. There is so little hard currency left for imports that, for instance, the pharmaceutical industry forecasts that it will have closed production down completely by the end of the year for the want of raw materials.

The economy is being kept ticking over at the present rate only by big injections of foreign funds from the International Monetary Fund, the Inter-American Development Bank and the U.S. Government, among others, yet the President of the Central Reserve Bank still forecasts a current account deficit of 800m colones (\$188m) for the year. The servicing of the new big inflows of capital, irreplaceable as they are today, will certainly prove a headache for future governments.

The human and economic losses reflect the respective strengths of the right-wing government and its insurgent foe. Bolstered by the continuing support of the Reagan Administration and by the training of whole battalions in the U.S., the army can range more easily over the country this year than last.

Even though it cannot penetrate and hold the guerrilla fastness in the mountainous north and east of the country the army can certainly deny possession of the main towns to the FMLN. Civilian casualties are very often explained by the ease with which the government forces and right-wing paramilitary groups can eliminate those peasants and town-dwellers who they suspect of partiality to the guerrillas.

The realisation that such a stalemate could go on for yet more months, if not years, has in recent weeks been pushing

PROPOSED U.S. AID TO EL SALVADOR 1982-83	
Economic assistance	\$105m
Military assistance	41m
Food aid	25m
Development assistance	25m
Total	\$200m

both sides and their allies to think of new strategies.

In Washington the Administration is increasingly embarrassed as having to "certify" that the Magaña Government's human rights record is improving in order that Congress authorise a continuing flow of U.S. aid to El Salvador. President Reagan's certification clearly lies in the face of the truth.

Last month, in an interview in London, Sr Raul Leon, the Minister-President of the Cuban National Bank, echoing President Fidel Castro's words, said that Cuba wanted a political settlement of the conflicts in Central America.

President Magaña himself has received Dr Volio, the Costa Rican Foreign Minister, as part of a mediation effort put in train by the newly elected Social Democratic president of Costa Rica, Sr Luis Alberto Monge. Having fought each other to exhaustion there seems no alternative for the two adversaries but to get round a table.

Acid found in Pfizer eyedrops

By Paul Betts in New York

ANOTHER CASE of drug contamination has been uncovered in the U.S.—this time involving the popular over-the-counter eyedrop Visine, manufactured by Pfizer, the large New-York-based pharmaceutical company.

A Colorado man has been injured after using eyedrops contaminated with acid.

The U.S. Federal Drug Administration yesterday said it had found no evidence of contamination at Pfizer's Visine eyedrops plant in New Jersey. This appeared to confirm the view of local authorities in Colorado that someone had removed bottles from store shelves, contaminated them and replaced them on the shelves.

Pfizer shares were almost \$3 (\$1.75) lower in early trading on the New York Stock Exchange, after opening at \$76 1/2.

Alaskan leases go on sale

By Paul Betts

THE U.S. oil industry is rearing itself up for the sale of offshore Alaskan oil and gas leases today which could see record bids of between \$2m and \$3bn (£1.16bn to £1.75bn).

The leases are in the waters off the Prudhoe Bay oilfield on the North slope of Alaska, where the biggest recent oil discovery was made in the U.S.

Although bidding by oil companies is expected to be aggressive, some analysts doubt whether some oil companies will be prepared to offer as much money as they would two years ago—before the decline in oil prices and energy demand.

The Federal lease sale today, however, is regarded as the "crown jewel" of the U.S. Government's offshore leasing programme, designed to open up greater offshore areas for oil and gas exploration on the country's outer continental shelf in the next five years.

IMF to seek boost by advanced countries

BY DAVID TONGE, RECENTLY IN WASHINGTON

THE International Monetary Fund is again preparing to approach its members for loans.

A surge of lending demands by such countries as Mexico and Argentina is beginning to stretch the fund's resources. Officials say: "By next spring the IMF will have committed all its borrowed resources."

Because of the decline in oil producers' capital surpluses and rapid improvement in the industrialised countries' position, the fund plans to turn to developed nations, its main shareholders.

Calculations prepared for the IMF's executive board forecast that the fund will make SDR 8.6bn (£5.41bn) of fresh commitments in the next six months. At least another SDR 7bn may be required by April, the calculations show.

IMF staff argue that the fund will need to borrow substantially to maintain its liquidity at its traditionally high rates.

The IMF plans to approach Saudi Arabia at the end of this year to ask if it will increase its commitments to the fund from SR 8bn to SR 12bn. But officials are keen to see a better balance in borrowing from such industrialised countries as Britain or West Germany.

They would like these countries to provide far more than the SDR 1.3bn recently committed by the central banks or official agencies. In return, the IMF would again issue bearer bonds which could be sold.

One official said: "These bonds are the first time we have borrowed in a way allowing countries to diversify their foreign exchange holdings."

The latest forecasts of the fund's liquidity needs have been prepared against a background of mounting staff concern about the chances of world recovery, and anxiety about the problems recession is creating for countries trying to carry through programmes agreed with the IMF.

"Over one half of our programmes are inoperative," said an official. In the past month alone six programmes to a value of SDR 1.3bn have had to be cancelled. Reason range from the effects of the collapse of commodity prices to a shortage of export earnings to a shortage of staff to complete the IMF report

needed to continue disbursement.

The cancellation of existing programmes has helped to reduce existing IMF commitments and ease recent pressure on its liquidity. But many countries will be coming back to the fund, seeking rewritten programmes.

The fund's forecasts of SDR 8.6bn commitments by April 30, 1982, include: A three-year, stand-by arrangement of about SDR 3.6bn with Mexico, probably to be signed after Sr Miguel de la Madrid takes over as President on December 1; an SDR 1bn agreement with South Africa; and a 12-18 month stand-by arrangement of SDR 1.2-1.5bn with Argentina.

The IMF wants to restrict the term of any agreement with Argentina because of uncertainty over the political stability in Buenos Aires, officials say.

The fund's conservative management policies mean that it maintains sufficient liquidity to meet not merely its disbursements but its commitments as well as a high proportion of all potential drawings by countries of their reserve tranches or encashment of their loan claims. These last two items add up to SDR 25.5bn, whereas the fund today can count on resources of SDR 27bn.

The need for new borrowing has been made acute because the next increase in IMF quotas—the fund's main source of liquidity—is unlikely to become effective until 1985. Agreement on the quota increase should be reached by next spring, but it could take up to 18 months to be ratified.

Officials do not rule out the possibility of the IMF approaching the markets. They said that when this happens it will be on a full-scale basis, not as a trial run. But they added that the industrialised countries object to tapping the markets.

At the IMF there is now more optimism that the U.S. may agree to at least a 50 per cent increase in quotas—more than had been indicated by Mr Beryl Sprinkel, U.S. Undersecretary for Monetary Affairs, before the Toronto annual meeting of the IMF.

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French exports: the alarm bells are ringing

BY DAVID HOUSEGO IN PARIS

THE ALARM bells are sounding for French exports.

After virtually uninterrupted growth since the Second World War, exports of manufactured goods fell in real terms at an annual rate of 10.5 per cent in the first six months of this year. In the second quarter, the drop was more dramatic, reaching an annual rate of 18.4 per cent.

Even if the decline in exports for 1982 as a whole can be limited to 5 per cent as the government statistics institute, Insee, somewhat optimistically predicts, the fall will still be worse than the previous record 4.5 per cent decline in 1975.

There is not enough evidence yet that the "springs of French industry have broken" as a senior member of former Prime Minister Raymond Barre's administration declares in private. But there is no doubt that the tale the figures tell of declining competitiveness and of large trade deficits have put President Francois Mitterrand with his worst economic headache since taking office.

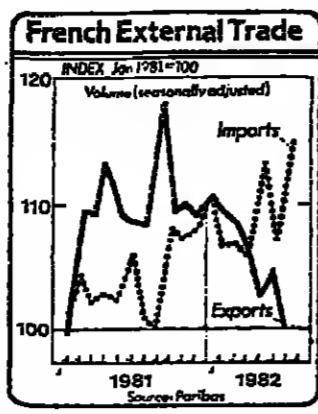
The drop has been virtually across the board. The biggest disappointment has been the car industry, where the sharp upturn in exports in 1979—the harbinger it seemed of balmy days to come—has been overtaken by a dramatic plunge.

In the April-June period car exports fell 9.6 per cent on a year ago reflecting in part the exceptional circumstances of labour unrest at Renault, Citroen and Talbot. Electronics, chemicals and metal goods have also been badly hit. Exports of consumer and intermediate goods fell 5.6 per cent and capital goods, always subject to greater fluctuations, by 8 per cent.

The rate of fall in France's trade is such that it contrasts with world trade performance as a whole, itself stagnant. The result is that France, which in the mid-1970s had nudged into third place behind Japan and West Germany as one of the world's leading exporting nations, is now suffering a loss of its share of world export markets.

What is particularly worrying to the Government is that this loss is not occurring in Third World or Opec markets, where demand is for simpler goods, but is happening within Europe itself where competition is stiffer and product quality more important. The European market share for French products fell by 10 percentage points from mid-1981 to mid-1982.

Among the various short-term and structural reasons being



French External Trade

...cited for the turnaround are the following:—

● France's industrial costs have been rising at a faster pace than those of its competitors. As a result of pre-election pledges by former President Giscard d'Estaing and post-election measures of the new Socialist administration, unit wage costs—excluding social security payments—rose by 8.2 per cent in the second half of 1981 and by 5.2 per cent in the first quarter of this year.

● Despite an 8.5 per cent devaluation of the franc against the Deutsche mark last October, and a rise by 50 per cent in the value of the dollar against the franc in the last

two years, French exporters are experiencing diminishing returns in these markets, themselves suffering the effects of the world recession.

● French companies have neglected their marketing networks abroad in the belief that growing wage and social security costs in France were pricing them out of exports.

Catastrophic for the balance of payments is that this drop in exports has been accompanied by a massive rise in imports. Imports rose in volume terms by 10 per cent between the second quarter of 1981 and the same period for 1982, while domestic demand grew at the more modest pace of 3 per cent—demonstrating that it has been foreign suppliers who have gained most from the relaxation of the French economy.

The result has been a further sharp acceleration in the share of foreign manufactured goods sold on the domestic market. Import penetration has risen from a 22 per cent market share in mid-1978 to 26 per cent by the middle of last year and to 28 per cent by mid-1982.

What M. Barre claimed initially was a welcome opening of the French market in imports has increasingly

become a depot of French industry competing on its own. Parallel to this deficit has risen from 1979 to FFf 60bn in 1980 and 1981 and to a mated FFf 88bn this year.

The Government's hope is for a 5.5 per cent increase in exports next year. It bases this on the belief that the wages and prices freeze will help hold down industrial costs, that exporters will not load on to their margins the price increases they have been forbidden to make in France, and that the effects of the June devaluation will provide a boost

Against this the forecasts seem to most observers unrealistic because of the continuing slackness in world demand and the levelling off of large contracts in the Opec area and the developing world. In some sectors, the French have suffered a permanent loss of market share that would be difficult to recover.

In attempting to boost exports, President Mitterrand is putting his trust in the additional aid being offered to industry and in new measures designed to galvanise exporters—especially small- and medium-sized businesses.

cut pean capacity

Anthony Marston, Chief Correspondent

European fibre producers are expected to agree within the next 10 days on a plan to cut capacity by 400,000 tonnes. Enka, the West German arm of the Dutch concern Akzo, said yesterday that although an agreement was now highly likely it was still not certain how the cuts would be distributed among the producing countries.

Any agreement would have to receive a blessing from the European Commission. One previous attempt to work out a policy of limitation, founded because it was deemed to have fallen foul of the Commission's competition policy.

The present agreement has still not been seen by the Commission, though the producers believe they have a policy which will be acceptable in Brussels.

What is still uncertain is whether they have a policy to which they can all adhere. Most of the fibre-producing countries have cut their capacity over the past few years. By the end of this year it will be 54 per cent lower in the Benelux countries compared with the middle of 1977, 41 per cent down in the UK, 40 per cent in France and 22 per cent in West Germany.

Handful of companies hold key to Spanish trade

BY ROBERT GRAHAM IN MADRID

LESS THAN 1 per cent of Spain's exporting companies are responsible for nearly 40 per cent of all Spanish exports. In the case of importing companies, the concentration is even greater, with less than 1 per cent importing almost 50 per cent of all goods.

This concentration of the bulk of Spain's trade in the hands of a few companies is highlighted in a study just published in the Ministry of Commerce's monthly economic review. It is the first attempt to analyse the control of Spanish trade.

In addition to the high degree of concentration of trade, the study also exposes the extent to which companies are either foreign-controlled or have foreign minority stakes.

In 1981, the study says that 30,276 Spanish companies exported goods worth a total of \$18.8bn (£11.1bn). Of this, 100 companies, equivalent to 0.3 per cent, exported 39.7 per cent of the total. The leading 25 companies exported 24.5 per cent, and the leading 10 companies 16.7 per cent.

Among the latter 25 companies, foreign interests predominate. Ford, the leading exporter with \$650m, along with IBM, Continental Espanica (Continental Grain) and Sepsis (Luis Dreyfus) are 100 per cent foreign-owned, while 19 others have foreign stakes.

In 1981, more than 63,000 companies imported goods totalling \$29.5bn. However, only 2,288 companies imported goods worth upwards of \$1m. Against this, 10 companies imported 37 per cent of all imports, and seven of these were involved in energy imports—like the refining and petrochemical groups Cepsa, Euspetrol and Petrobar.

If energy products are removed, then the next biggest item is agricultural products and foodstuffs. In this sector, 15 companies account for 44 per cent of all such imports. Single share accounts for 7.9 per cent.

Machinery and mechanical equipment imports, 12 per cent of the total, are dominated by two companies—IBM and Sperry Rand, which bring in 12.9 per cent of the total.

Plea for expansion of UK-Australian trade

BY JAMES McDONALD

THERE has been an increase in trade between Britain and Australia, in both directions, and there is ample scope for more, according to Sir David Steel, president of the London Chamber of Commerce and Industry, speaking in Sydney yesterday.

In the first half of this year UK exports to Australia were 40 per cent higher than in the same period of 1981, and Australian exports to Britain were 30 per cent higher, he told the Australian British Trade Association.

"We must see that this is not just a flash in the pan. In spite of the world recession, which has hit us both very hard, the UK remains Australia's leading investor," he said.

Much would depend on how both countries emerged from the recession, and in this context Sir David questioned the British Government's wisdom in adding traditional, yet sitting, industries.

Order books remained sparse for the iron and steel industries, textile manufacturers, the motor trade and shipbuilding despite labour cuts and reduced capacity.

It was economic nonsense to subsidise Swan Hunter in order to win for Britain the replacement order for the Atlantic Conveyor, but it neatly illustrates why our traditional exports are falling and why the Confederation of British Industry sees no sign of industrial recovery.

A restructuring of Britain's traditional industrial base was urgently needed, said Sir David, former chairman of British Petroleum, who is leading a trade mission to Australia and New Zealand.

Hyundai in £35m ships contract

BY ANN CHARTERS IN SEOUL

HYUNDAI Corporation, the general trading company of the Hyundai group, has signed a \$60m (£35.2m) contract with the Salem investment group of Sweden to build three 430,000 cu ft refrigerated cargo vessels.

The first will be built by Hyundai Heavy Industries at Ulsan shipyard for delivery in early 1984. Options on the remaining two are expected to be finalised within this year.

The contract is part of

Hyundai's efforts to move into the production of more sophisticated ships.

The ships are to be equipped with Hyundai-hull marine engines.

Salem took delivery of two Hyundai-built Panamax bulk carriers equipped with Korean engines several years ago.

The shipyard has a full order-book for delivery through the first quarter of 1984, but should be pulling in orders now for

work next year on later deliveries.

● The Israel Ports Authority will spend, during the current fiscal year, 400m shekels (£8m) on equipment, most of it imported, L. David in Tel Aviv writes. This compares with 160m shekel during the 1981-82 fiscal year. Moreover, the authority intends to increase the area of Ashdod Port in the coming years, including a deep water anchorage for coal-carrying vessels.

Jamaica tries to woo SE Asian investors

BY KATHRYN DAVIES IN SINGAPORE

JAMAICA IS trying to woo investors from South-East Asia by holding out the prospect of improved access to European and U.S. markets.

A Government trade mission, led by Mr Douglas Vaz, the industry and commerce minister has just completed a fact-finding tour of Japan, Hong Kong, Taiwan and Singapore.

In Singapore, yesterday Mr Vaz said that because of its

geographic location, Jamaica could offer Asian investors the opportunity to sell textiles, electrical goods, and simple electronics, over and above the country quotas accorded to them under restrictive agreements like the multi-fibre arrangement (MFA).

Jamaica would welcome South-East Asian investors who wished to retain 100 per cent ownership of their companies

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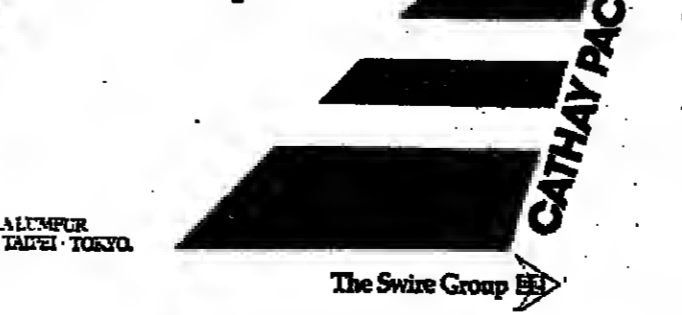
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Tyre contracts signed

Continental Gumm-Werke and General Tire and Rubber of the U.S. signed contracts calling for the production of 500,000 tyres annually for the North American market, a spokesman for the West German company said yesterday. AP-DI reports from Hannover, Contigummi, West Germany's largest tyre and rubber producer, hopes to use the deal to expand its presence in the U.S. market for car tyres. The agreement calls for plants to produce tyres fitting Contigummi specifications starting mid-1983.

Pipeline bids

Turkey and Iraq will ask for international bids next month for the extension of a joint oil pipeline which pumps Iraqi crude to a Turkish Mediterranean terminal, AP-DI reports from Ankara. The sides are understood to be planning to increase the throughput capacity of the 1,000-km \$1bn pipeline from a current 35m tons annually to 49m tons.

Japan loan for Peru

Peru's Corporacion Financiera de Desarrollo (Cofide) has signed an agreement for a Y8bn loan from a Japanese bank syndicate led by the Export-Import Bank. Reuter reports from Tokyo. The syndicate is composed of the Ex-Im Bank and five Japanese commercial banks. The bank declined to elaborate on loan terms.

Subway cars order

Hitschi and C. Roh have jointly won a \$23m order from the Metropolitan Atlanta Rapid Transit Authority (Marta) of Atlanta, Georgia, for 20 subway cars, agencies report from Tokyo. Delivery will be completed in three years and the local parts content rate will be over 70 per cent, with final assembly to be made in the U.S.

Renault to appeal

State-owned Regie Nationale des Usines Renault will appeal against a decision by the Colombian Government to fine it \$1m. Reuter reports from Paris. Sr Roberto Gerlein, Colombia's Development Minister, said the fine was levied as Renault failed to fulfil its part of a contract involving car parts with the Bogota authorities.

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Jenkin seeks civilian uses for defence research

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE Department of Industry is considering ways in which research carried out by defence companies at Government expense could be put to greater use for the development of civilian products.

Mr Patrick Jenkin, Industry Secretary, has had a series of meetings with senior and chief executives of about a dozen of Britain's major defence contractors to discuss the idea against a background of increasing pressure on the Government's defence research budget.

The Ministry of Defence spends about £1.5bn a year on research and development, two-thirds of it with private sector companies. The ministry is looking for ways of increasing the amount spent on research in the private sector and wants to develop new relationships with the companies involved.

It has floated the idea that the companies might pay more of the cost of any research which helps them to develop defence or other products that can be sold to other customers. Many civil products have been developed from defence research in recent years. An

Industry Department paper presented to the National Economic Development Council earlier this month said: "There are a number of successful examples of civil spin-off from military research and development, such as liquid crystal displays, but civil industry must take further opportunities to benefit both from defence working practices and from specific items of technology."

"The implication is that further development work is needed within industry."

The idea which attracted least support was that a "freedom of information" system should be introduced under which the civilian benefits of government-funded defence research should no longer be the property of the defence contractor involved, but should be made available to any other company.

Among other ideas considered was that defence contractors might hire off their own subsidiaries, or help with the creation of management buy-outs, to develop civil products which would not fit naturally into their own areas of operation.

Recovery 'could increase pollution'

By Gareth Griffiths

INDUSTRIAL air pollution in the UK has fallen in recent years because of the decline in manufacturing industry but an economic upturn could exacerbate pollution problems, says the Health and Safety Executive in a report published yesterday.

"The executive's 1981 report on industrial air pollution argues that industry will find it increasingly difficult to maintain existing standards, and more and more expensive to re-equip to the tighter standards currently in force."

The average age of industrial plant in the UK is increasing, says the report. Dr Leslie Reed, chief inspector of the Alkali and Clean Air Inspectorate which produced the report, warns that when dormant plant is revived after a prolonged period, pollution problems are more likely to occur. This can be due to a lack of maintenance, an area in which short-term cash savings can be made.

The report says industry has responded well to the legal requirements to reduce air pollution.

Industrial Air Pollution: Health and Safety, 1981. 50; £4.

Former Howden star underwriter likely to sue Lloyd's

BY JOHN MOORE, CITY CORRESPONDENT

MR IAN POSGATE, the former star underwriter of Alexander Howden Group who was sacked by Howden's U.S. owners, Alexander and Alexander Services, is expected to issue writs today against Alexander and Lloyd's.

Mr Posgate was dismissed as underwriter of Alexander Howden after allegations by the U.S. owners that he had secretly controlled, with four other former Howden directors, a Panamanian company.

The four former Howden directors, Mr Kenneth Grob, Mr Ronald Comery, Mr Allan Page and Mr Jack Carpenter are also alleged to have secretly controlled another company in

Panama and a company in Liechtenstein. After the allegations were made public Lloyd's suspended Mr Posgate from underwriting in Lloyd's and he has been unable to earn a living in the market.

Concern is growing among Lloyd's of London underwriting members about the implications of the affair. The Association of External Members, which represents about 500 members of Lloyd's who do not work in the market, is concerned about the involvement of Lloyd's underwriters with reinsurance companies where those underwriters might have beneficial shareholding interests. "If our underwriters are

placing reinsurance of their Lloyd's underwriting syndicates with many reinsurance companies, and worse still if they have a shareholding interest in those companies it is a matter of alarm," said the association yesterday.

Mr Geoffrey Perry, one of the external members of Lloyd's who is running for the new Lloyd's council said yesterday that Lloyd's should establish a register similar to that maintained in the House of Commons requiring the declaration of outside interests that could in any way affect business conduct by a Lloyd's underwriter or broker.

Sir Peter Green has rejected calls for a register of beneficial

ownership of reinsurance groups with which Lloyd's underwriters trade. "The market already thinks we are regulation mad," he said recently.

Sir Peter said in the last few weeks that he used to have a beneficial shareholding in an offshore company in the Grand Cayman, called Imperial Insurance Co. (Cayman Islands), but disposed of the 2.5 per cent shareholding indicated from his father before he became chairman of Lloyd's.

The company was originally based in Nassau in the Bahamas. It was formed specifically to offer American railroads protection against strikes. Hoop Robinson Group, where Sir Peter Green is a director, holds

a 20 per cent shareholding, according to the company's accounts.

Some Lloyd's underwriting members are arguing that an inquiry held this year, conducted by Sir Peter Green personally, into a reinsurance programme arranged by one of the largest PCW Underwriting Agencies, should be reopened.

Sir Peter closed the inquiry when PCW admitted to underwriting members on two of its Lloyd's syndicates, 810 and 869, that a reinsurance contract, arranged for the syndicates by an uncorrelated Monte Carlo firm of brokers called Unimar, contained errors. Unimar refunded £400,000 to the two syndicates.

Labour would repeal any school voucher or student loan scheme

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

ANY CONSERVATIVE Government scheme introducing education vouchers or student loans would be repealed by a Labour administration, Mr Neil Kinnock, Labour MP for Bedwelly and the party's education spokesman, said yesterday.

He was speaking at a Labour Party Press conference in support of National Education Week. The week is promoted by the National Union of Teachers, the National Union of Students and other organi-

sations in education.

The possibility of a scheme which would give parents vouchers to use towards paying private-school fees was put forward in speeches by Sir Keith Joseph, Education Secretary. Mr Kinnock said the fact Sir Keith was intellectually attracted to it was its greatest condemnation.

Mr Kinnock thought the Government now seemed to be considering a mixture of loans and grants to pay for university tuition. He said this would

combine the worst disadvantages of both systems.

Mr Kinnock said private schools should be entirely responsible for their own financing. They should have no claim on public resources.

Mr Philip Whitehead, Labour MP for Derby North, a member of Labour's education team, criticised the Government's Think Tank report which proposed withdrawal of public funds from higher education.

He said it would mean the closure of 24 institutions for

higher education, including some universities.

Mr Frank Dobson, Labour MP for Holborn and St Pancras, predicted that although Mrs Margaret Thatcher, the Prime Minister, was reported to have shelved the Think Tank report she would bring it back if the Conservatives won the next General Election.

Mr Edward Heath, the former Tory Prime Minister, yesterday attacked suggestions that market forces might be allowed to enter education and health ser-

vices.

He said Sir Keith Joseph's voucher system meant "you can sell education on the market just as you buy a can of peas in a supermarket. This isn't what education is about."

Speaking at London School of Hygiene and Tropical Medicine, he said: "Education and health are quite separate from ordinary market activities and have got to remain so. And so far as I am concerned, I am determined to do everything I can to keep it that way."

Thatcher ex-aide attacks Civil Service neutrality

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE Civil Service suffers from inadequate leadership and insufficiently clear objectives, Sir John Hoskyns, former head of the Prime Minister's policy unit, said last night.

He told the annual dinner in London of the Institute for Fiscal Studies, the independent economic research body, that lack of political leadership was the penalty paid for having a "non-political" service prepared to serve any government.

Since the Civil Service could not, by definition, provide its own objectives, and must depend on the changing directions of its political masters, its morale had not been high, Sir John said.

I am suggesting that the concept of political neutrality puts senior servants in an impossible position, where they have become passive, doing what they are told, but no more.

"How can senior officials work wholeheartedly for a Thatcher Government for four or five years and then turn about and do the same for, say, a Benn Government? They can only do so, I suggest, by cultivating a passionless detachment, as if the process they were engaged in were happening in a faraway country, which they service only on a retainer basis."

In Britain's economic predicament, most of the essential remedies required governments to do things which were regarded as politically impossible. But for civil servants, with their tradition of neutrality, it would be very difficult to throw a lot of energy and commitment into a highly "political" course of action.

Sir John said: "If you agree with me that many of the problems confronting present-day governments can be solved only by shifting the boundaries of political possibility, then you will see that it is precisely at these boundaries that officials may begin to feel uneasy and may start to withhold that last

5 per cent of commitment."

Moreover, the demands laid upon politicians, and particularly on ministers, often prevented them from giving the time and energy required to formulate long-term strategic objectives, he said. This had resulted in a leadership vacuum over the years, which had made the Civil Service deeply pessimistic.

Sir John said: "The first thing to realise about civil servants is that few, if any, believe that the country can be saved. There may be a few optimists in the 30 to 40 age group, but I doubt if many over the age of 45 thought that anything could be done when the present Government came to office in 1979."

Senior civil servants, he said, had been engaged in a 25-year campaign with scarcely one significant victory to punctuate steady retreat. "For many of them, it must have been rather like joining Napoleon's army just in time for the retreat from Moscow."

The remedy, Sir John believed was that the balance of taxpayers' support should be shifted from the Civil Service towards political parties. This would allow a large number of senior civil servants to be replaced by political appointees, many of them outsiders on secondment to the service.

Some would act as policy advisers to Cabinet Ministers, but others would fill senior positions in departments, perhaps even as permanent secretaries. There might be between 10 and 20 "outsiders" per department, he said.

Taxpayers' support for political parties would allow them to recruit a team of officials even while in opposition.

Sir John said there was a case for a new, small department responsible for developing the Government's overall strategy. This would consist of 100 to 200 people and incorporate the Central Policy Review Staff.

Heath launches £195 game 'to aid Third World'

BY LYNTON McLAIN

A GAME backed by the Government and National Westminster Bank to help fight hunger in the Third World was launched in London yesterday by Mr Edward Heath, MP, and former member of the Brandt Commission on north-south relations.

The Green Revolution Game is designed to stimulate, for training purposes, the processes of change, development and survival in the agricultural life of communities of small farmers in India.

The game, at a cost of £195, is the idea of graduates from London and Cambridge Universities. Its launch by Mr Heath came after ten years of testing and development based on real data from Bihar, India.

Mr Heath said: "It will do enormous good in making known the nitty-gritty of the problems of the Third World. All too often those involved in development do not get down to the details of what is possible."

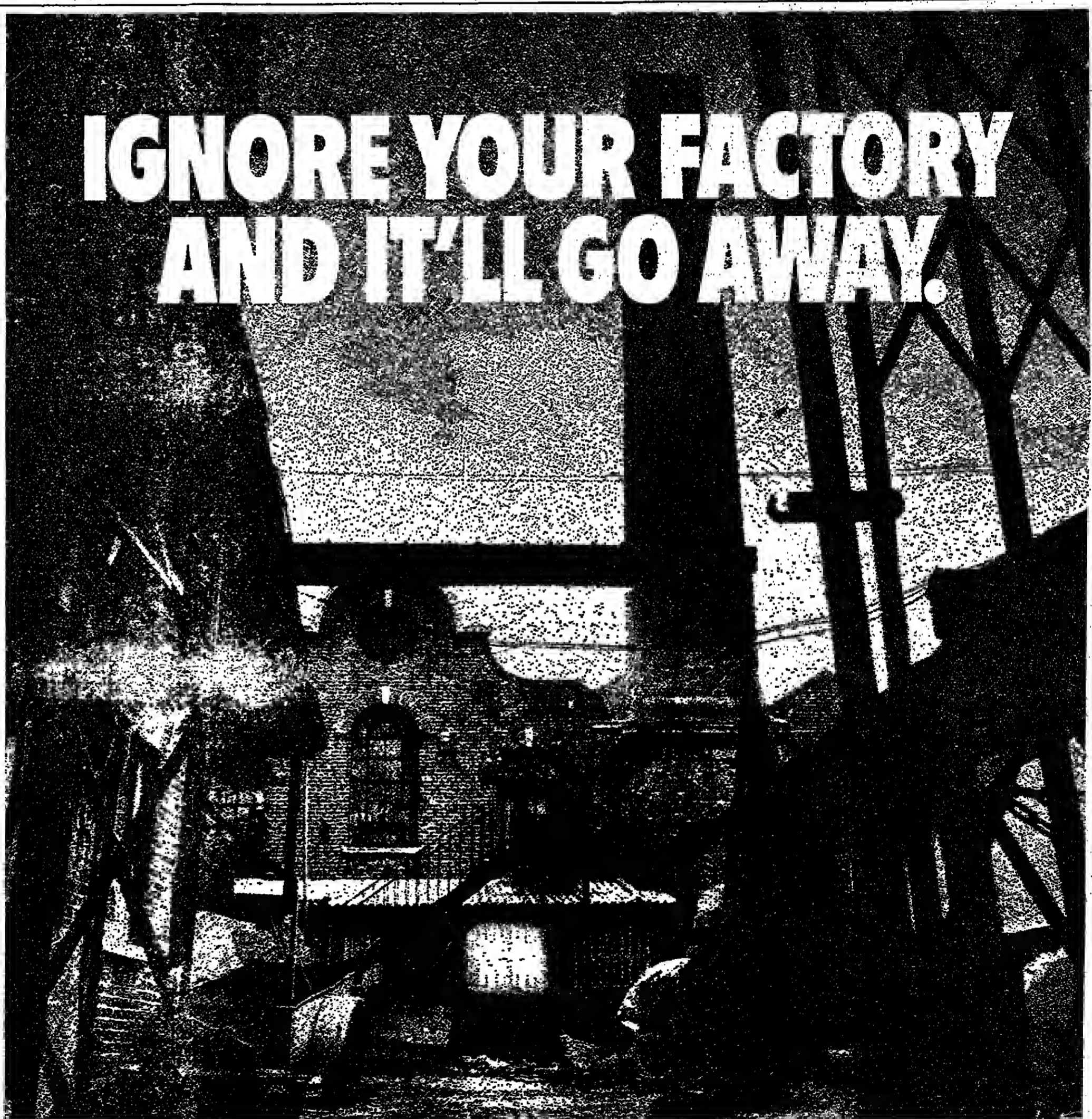
The production and sale of the Green Revolution Game followed the setting up of Marginal Context, a limited company, by Dr Graham Chapman, lecturer in South Asian geography and fellow and tutor at Downing College, Cambridge, and his wife.

The small company obtained

a loan of about £65,000 from the National Westminster Bank under the Government's small firms' loan guarantee scheme. This money was used mainly to pay for the cost of tooling for the plastic parts of the game, such as discs for "ordinary rice, high yielding rice, fertilizer and pesticide spray," and for printing.

A lack of understanding of the "very real problems facing the small farmer in the developing countries, such as drought, unreliable rainfall, pestilence, lack of credit and risky returns on investment," led to the game's creation. It is said to be an attempt to improve understanding among those who devise and carry out policies and projects for agricultural development. Managers of development projects, policy makers and students are expected to use the game.

Participants take the roles of farmers living in a traditional village experiencing the uncertainties and choices that face people in the real world of the developing nation. The game is complex and has a "manager," but the originators say it is enjoyable, memorable and provocative. "It is also often a bitter and moving experience," they say, with participants making decisions about family loyalties and survival.



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UK NEWS

Tuning in to the technological age of cable television

Guy de Jonquieres examines the future of broadcasting in the light of the Hunt Report

DECISIONS ON the future expansion of cable television are of great significance, the Hunt Report says. Modern cable technology increases greatly the number of channels available for entertainment television. It also permits the introduction of "interactive" two-way services such as burglar alarms or communications between businesses and homes.

of their basic programme package both so that no one should be deprived of them by a decision to connect to a cable system and also to preserve the habit of national viewing alongside the new channels which will cater more for special interests and also be more locally oriented.

On the considerable investment that will be needed. "We have carefully considered the thesis that a cable television system, as a result of its diversity, can be seen as just another branch of publishing, subject only to the laws on such matters as defamation, sedition and obscenity. We believe this approach might be acceptable when the whole country is sated, if there is then genuinely the same sort of choice as is found in a bookshop, and if there is a general consensus about what has, and what has not, got a place on cable television.

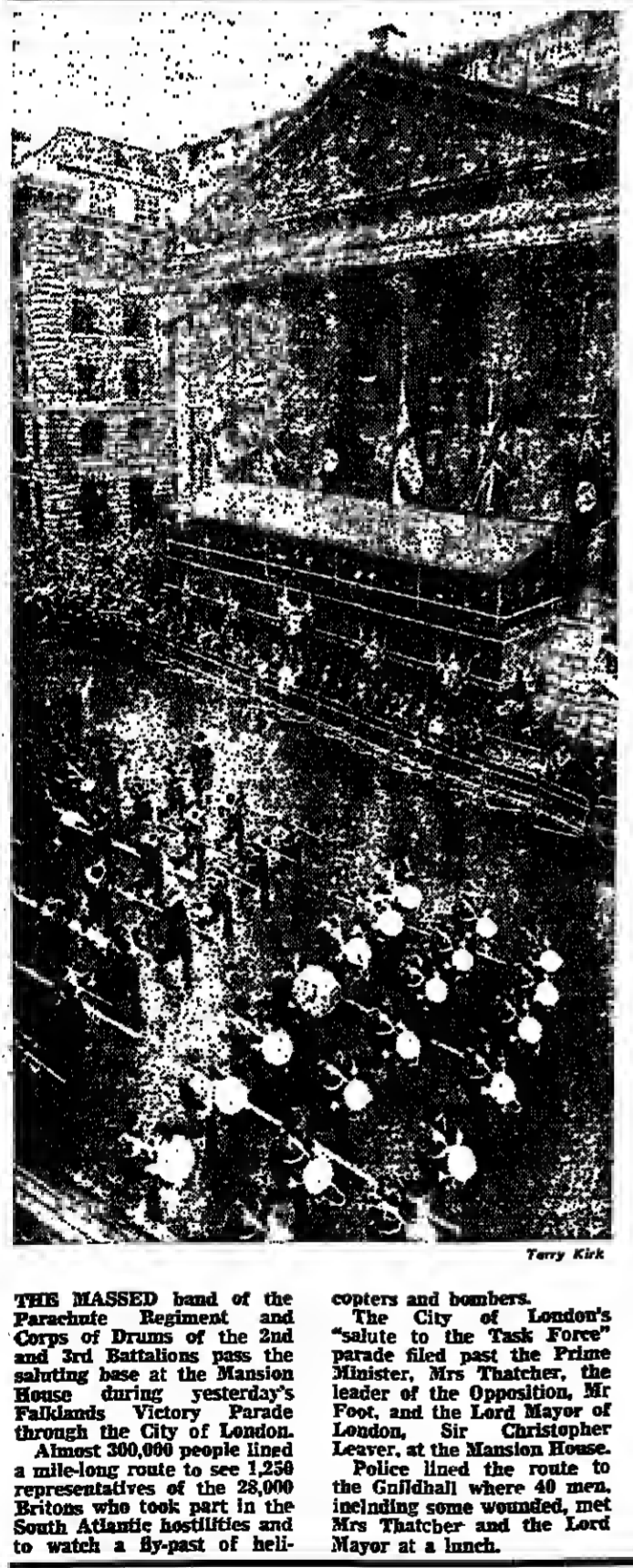
The cable operator—the manager of a local cable system who puts together a package of cable services to sell to subscribers in his area. The programme or service provider—the assembler of programmes into channels or segments of channels for sale to cable operators, consisting for example of cinema films, news, sport, education, children's programmes, etc; or the provider to the cable operator of other services (local information, home security, teleshopping, etc).

determined basis in the event of losing the franchise. The report also sees no need for enforced separation between cable operator and programme provider. Ownership of cable operators: The only restrictions on ownership of cable operators should be designed to prevent political or ideological bias. The report recommends that central and local governments, political parties and organisations and religious bodies should be excluded from direct participation in ownership of cable operators.

The report sees no need for any initial restrictions on advertising on cable, although it might be necessary to consider imposing some in the longer term. A code of practice, such as governed ITV advertising, was desirable, although it would be impractical to vet advertisements in advance. There was scope for programme sponsorship, subject to certain rules such as clear separation of advertisements and editorial matter.

The Hunt Committee recommends that there should be no special rules for taste and decency, and that cable operators should be subject to the same obligations as now apply to broadcasting. No special restrictions would be needed to ensure impartiality on cable television if government, political and religious organisations were prohibited from having their own cable channels and reasonable access were permitted to community channels. The report also says that no measures are needed to limit the amount of foreign material shown or to protect or encourage the British cinema industry.

parts of it are to be cabled, in order to avoid the situation in which the cable system is never in practice extended beyond the most profitable parts of the franchise area. "The ownership of, and the interests represented in, the prospective cable operating company and any problems of monopoly whether national or local."



Trade with Argentina set for slow recovery By Hugh O'Shaughnessy "WE DIDN'T HAVE any trouble during the war," said the waitress at the Tango café in Long Acre, "though one man did complain at the name of our Argentine Beef Stew. Just to be on the safe side we didn't advertise it on the blackboard as Estafado de la Montaña.

Proposals on multinational tax loopholes BY ROBIN PAULEY LEGISLATION to tighten up some of the tax loopholes exploited by multi-national companies is proposed today by an Institute for Fiscal Studies report but it falls considerably short of the controversial demands the Inland Revenue has been making. The main recommendations are: Extending the UK tax net to stop the artificial diverting of trade to companies in low tax areas.

Barclays to join fight for premium card customers BY ROSEMARY BURR BARCLAYS BANK is to issue premium credit cards, which offer high income earners guaranteed overdrafts of at least £7,500 at favourable rates. The Premier card will be available from Monday October 25 for Barclays customers and later to other customers. Barclays is following the example of Lloyds Bank, Midland Bank and Royal Bank of Scotland. Each issues premium cards. Lloyds, the first British clearer to launch a premium card, in April last year, has 40,000 card holders. A sizeable proportion are not customers of Lloyds Bank. Midland has 24,000 premium card holders.

West Midland Co-operatives plan merger BY LORNE BERING A NUMBER of Co-operative societies in the West Midlands plan a merger which would make them the largest retail organisation in an area of more than 1,000 sq miles. The plan, like similar link-ups elsewhere, was inspired largely by agreements at this year's Co-operative Congress that this was desirable to improve operating efficiency.

Committee to decide on Vale of Belvoir coal plan BY SUE CAMERON THE FATE of the proposed £300m development of a coal mine at Ashfordby in Leicestershire will be decided tomorrow at a key meeting of the county council's planning committee. The Ashfordby pit — part of the National Coal Board's controversial 51bn Vale of Belvoir project — would employ 2,500 people and have the capacity to produce 2.2m tonnes of coal a year. It would provide jobs for some of the 3,700 miners now employed in six Leicestershire pits which are due to close because of exhaustion over the next 10 years.

Avon launches turbo Triumph Acclaim BY JOHN GRIFFITHS A 115 MPH version of the Triumph Acclaim is launched today by Warwick-based specialist builders, Avon Coatedwork. This is the fourth project involving EL cars undertaken by Avon which first came to attention when its Jaguar estate won a roadwork medal at the 1980 Motor Show. The Turbo Triumph Acclaim, as with the Jaguar estate and a luxury version of the Acclaim launched by Avon earlier this year, will be marketed through BL's own dealer network. It will be shown for the first time at next week's show at Birmingham's National Exhibition Centre. The car has been developed jointly with Turbo Technics of Lincoln.

Jaguar Cars to make fresh attack on Continental market BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT JAGUAR CARS, the BL subsidiary, is to make a new sales attack on the Continent. In particular, it aims to do much better in West Germany, where 65 per cent of Europe's luxury car sales are made. Only about 1,000 Jaguars a year have been sold in Germany, the domestic market for the UK group's main rivals, Mercedes and BMW, out of the total of about 60,000 luxury cars.

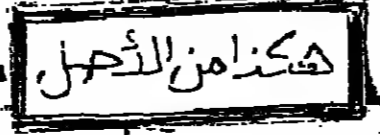
Avon launches turbo Triumph Acclaim BY JOHN GRIFFITHS A 115 MPH version of the Triumph Acclaim is launched today by Warwick-based specialist builders, Avon Coatedwork. This is the fourth project involving EL cars undertaken by Avon which first came to attention when its Jaguar estate won a roadwork medal at the 1980 Motor Show. The Turbo Triumph Acclaim, as with the Jaguar estate and a luxury version of the Acclaim launched by Avon earlier this year, will be marketed through BL's own dealer network. It will be shown for the first time at next week's show at Birmingham's National Exhibition Centre. The car has been developed jointly with Turbo Technics of Lincoln.

Jaguar Cars to make fresh attack on Continental market BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT JAGUAR CARS, the BL subsidiary, is to make a new sales attack on the Continent. In particular, it aims to do much better in West Germany, where 65 per cent of Europe's luxury car sales are made. Only about 1,000 Jaguars a year have been sold in Germany, the domestic market for the UK group's main rivals, Mercedes and BMW, out of the total of about 60,000 luxury cars.

West Midland Co-operatives plan merger BY LORNE BERING A NUMBER of Co-operative societies in the West Midlands plan a merger which would make them the largest retail organisation in an area of more than 1,000 sq miles. The plan, like similar link-ups elsewhere, was inspired largely by agreements at this year's Co-operative Congress that this was desirable to improve operating efficiency.

Committee to decide on Vale of Belvoir coal plan BY SUE CAMERON THE FATE of the proposed £300m development of a coal mine at Ashfordby in Leicestershire will be decided tomorrow at a key meeting of the county council's planning committee. The Ashfordby pit — part of the National Coal Board's controversial 51bn Vale of Belvoir project — would employ 2,500 people and have the capacity to produce 2.2m tonnes of coal a year. It would provide jobs for some of the 3,700 miners now employed in six Leicestershire pits which are due to close because of exhaustion over the next 10 years.

Avon launches turbo Triumph Acclaim BY JOHN GRIFFITHS A 115 MPH version of the Triumph Acclaim is launched today by Warwick-based specialist builders, Avon Coatedwork. This is the fourth project involving EL cars undertaken by Avon which first came to attention when its Jaguar estate won a roadwork medal at the 1980 Motor Show. The Turbo Triumph Acclaim, as with the Jaguar estate and a luxury version of the Acclaim launched by Avon earlier this year, will be marketed through BL's own dealer network. It will be shown for the first time at next week's show at Birmingham's National Exhibition Centre. The car has been developed jointly with Turbo Technics of Lincoln.



Handwritten note: 10/13/82

UK NEWS

GARDENS TODAY

Peckham by-election will test Labour Party's unity

THE QUESTION of whether Labour's extreme-parliamentary Left-wing middle class and radical...

But it has surfaced again in the neighbouring south London constituency of Peckham, which goes to the polls in two weeks' time.

Few doubt that Ms Harriet Harman, the young, Left-wing Labour candidate, will win the by-election on October 28.

So the outcome is likely to be seen more as an indicator of Labour's chances of preserving the appearance of unity displayed in Blackpool last month...

date, is expected to win comfortably the Northfield, Birmingham, by-election on the same day.

More immediately, the result is likely to influence the situation in Bermondsey where the problem of Mr Peter Tatchell, the young left winger selected by the local party to replace the sitting member Mr Bob Mellish, has yet to be resolved.

This problem has been threatening to erupt into a major party row ever since Mr Mellish let it be known that he would resign, prompting a by-election, if Mr Tatchell's selection were endorsed.

Margaret van Hattem looks at the running battle between left and right which continues to beset Michael Foot.

The likelihood of losing one of Labour's safest seats to the SDP was the main reason behind Mr Foot's uncharacteristically sharp rejection of Mr Tatchell last year.

Press view on news embargoes sought

MR BERNARD INGHAM, the Prime Minister's press secretary, has written to news organisations asking them whether they intend to observe embargoes on government announcements.

In his letter he says: "It will be useful to have the observations of your organisation on whether the Government should have any grounds for confidence in the embargo system in future."

This is the latest move in the row between Whitehall and some sections of the media over the breaking of the three-day embargo on the announcement of military decorations for the Falklands campaign.

Meanwhile, Downing Street yesterday took further steps to tighten the government information system. Orders went out to Whitehall departments that for the time being Press, radio and television should be handed official announcements only shortly before publication time.

The first instance of this came yesterday. The Hunt Report on cable television was issued 24 hours only in advance of publication.

Hitherto it had been customary that documents were issued to journalists well in advance.

The Press Council, which is investigating the breach of the Falklands decorations embargo, asked Downing Street yesterday for more detail.

Mr Ingham's letter went to the Newspaper Publishers' Association, the Guild of British Newspaper Editors, the EBC, the IBA and the Press Association news agency.

The secret of growing nerines

BY ROBIN LANE FOX

THIS IS a damp, sad season in the garden and I can never understand why my fellow gardening journalists are so keen on it.

Perhaps they are fonder of the dirty red heads on the common sedum than I am. To my eye, there are few saving graces, but one of them is the brilliant flower of the hothouse nerines or Guernsey Lilies.

The best collection of nerines in Britain and probably the best in the world belongs to Tony Norris at Welland, just off the A4104 near-Upton on Severn, Malvern, Worcestershire.

For the next two weekends it will be open to visitors. I recommend it to anyone who wants to break from planting tulips and counting the mildew on his asters.

In 12 polythene greenhouses, Mr Norris has a stock of several thousand bulbs which will change your perception of this family.

It all began, he claims, with a few bulbs owned by his grandfather during World War I. As a boy, young Norris admired them and while never losing his interest, he was distracted by a similar fondness for wild birds and a heavy commitment to a life of business.

It took an accident to change his direction. Twelve years ago, he was laid up with a broken leg after a hunting accident. During convalescence, he returned to the family line in nerines and has built them into a business which sells over 12,000 bulbs a year throughout the world.

The search for new varieties has taken its indomitable owner from the banks of the Limpopo River to the top of Table Mountain at an age when most of us would prefer a lazy cruise.

While he still runs a printing business in Birmingham, he keeps the nerines together at his home with a skilled nurseryman and a part-time staff to service orders by post.

It is a classic story of a Mr Norris changing games. Mixing business and gardening, he is one more of those many British managers who are cut out for this column.

Nerines, he found, had seldom been studied in detail. Gardeners should realise that the family divided into two branches in the wild. Up on the Drakensburg mountains at heights of 9,000 ft, nerines are kept bone dry in the winter and are watered by summer storms.

These are the varieties which are hardy outdoors in Britain and among them rank the variable bowdenii which we all know.

Further south, near the tip of South Africa's coast, wild nerines enjoy a winter rainfall and keep their green leaves into the new year. These conditions fit them for a British greenhouse, because our winter would ruin their leaves and their tender bulbs.

Both these homes in the wild share a common quality—their soil is spallingly bad. At its worst, the natural home of the nerines lies on sand which contains only four parts of nitrogen to a million parts of bulk.

The sight of this has convinced Mr Norris that the bulbs should be grown in Britain, too, without any soil at all.

He buries them so that only their neck is showing, though wild bulbs will sit several inches down in sand. He packs them into wooden boxes a foot square whose undersides have been knocked out and replaced with green plastic netting.

These boxes are filled with a neutral red sand and are stood on deep trays of yet more sand which is watered under glass through a central system. The nerines are given almost no food, but they draw up their water through the netting beneath their boxes at the appropriate season. It is water, not food, which encourages their flowers.

Indoors, the nerine has gone out of fashion. Yet florists would buy the entire stock of a nerine house in flower and

famine and you will enjoy a touching tribute, flowers of great beauty, obedient to your will. But if you want these stocks to expand you have to be kinder.

The main bulbs will set small offsets if they are given normal earth and food in a sunny bed. They will flower less freely, but these children are one means of increasing their numbers over the years.

The herdy pink bowdenii is a familiar flower in autumn, that cluster of shocking pink petals which look like thin strips of ribbon. Mr Norris grows it gratefully outdoors in some magnificent clumps, but he also stocks some unusually handsome hardy species and hybrids.

I was very fond of his selected bluish-white Manina which sometimes turns a pure white. He has saved the pink and white striped cross from it called Cameo Beauty which has tall stems and a mass of flowers in its head.

Best of all is the bright rose-pink Hera whose huge head of flowers is eight inches wide and packed with 16 individual flowers when grown to the best advantage. It will survive outdoors but at £5 a bulb a greenhouse might be safer.

Outdoors, these nerines should have a sunny bed facing south or west and as much sand as you can give them. At Welland, several bowdenii crosses confounded the critics by surviving last winter unscathed.

The word nerine should rhyme with "tiny" not "tweeny" let alone "twine." It takes five or six years to raise flowering nerines from seed, but this seed germinates freely. The varieties inter-marry like film stars, while controlled cross-breeding can result in different colours from the flowers on a single bed.

Indoors, the nerine has gone out of fashion. Yet florists would buy the entire stock of a nerine house in flower and

Tony Norris has developed some brilliant new hybrids to join the older Edwardian crosses. One parent, here, is the less hardy form called Sorrentensis whose flowers are a brilliant scarlet. With its help, the colours on indoor nerines now run from a striped red and purple form called Curiosity through scarlet and pinks to the pure white heads of Vestal. I recommend a Norris collection of 10 flowering-sized bulbs for £5.

Nerines are not made in a day, so prices for named hybrids rise to £6 a bulb for the best. These indoor varieties need nothing but sand and water and a frost-free winter temperature.

Welland their house is kept at 38°F in winter. They are very easy to please, but must be watered rather longer until their leaves eventually die down. They are excellent plants for squeamish gardeners who hate earth and worms.

If I could buy only one, it would have to be the vigorous cross called Rushmere Star. This stands out in the entire collection for its vigour, brilliant rose-carmine colour and large, shapely petals. It is not new but it is worth the £6 which it now costs.

In another five years, we may well be surprised by the new horny forms emerging from yet another of Mr Norris's plastic tunnels. They may bring scarlets and stripes within reach of us all outdoors.

The nerine has been grown for three centuries in British gardens and the story goes that it first reached the shore of Guernsey as the floating cargo of a shipwrecked vessel from South Africa. That is probably false, and Mr Norris now exports his bulbs back into Guernsey.

If you are nervous of healing your orchids and bored with the huge flowers on indoor Amaryllis, I suggest you visit his greenhouse and enjoy these miracles from nature's least hospitable soil.

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The whole of the Stock has been issued to the Bank of England on 11th October 1982 at a price of £86.25 per cent. The amount paid on issue was £20.00 per cent. The amount payable on 22nd November 1982 will be £40.00 per cent and the amount payable on 10th January 1983 will be £36.25 per cent.

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Until payment in full has been made and a completed registration form submitted to the Bank of England, the Stock will be represented by letters of allotment.

Payment in full may be made at any time prior to 10th January 1983 but no discount will be allowed on such payment. Interest may be charged on a day-to-day basis on any overdue amount which may be accepted at a rate equal to the London Inter-Bank Offered Rate for seven days deposits in sterling ("LIBOR") plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source or sources as the Bank of England shall consider appropriate. Details in due payment of any amount in respect of the Stock will render the allotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

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Letters of allotment must be surrendered for registration, accompanied by a completed registration form, when the final instalment is paid, unless payment in full has been made before the due date in which case they must be surrendered for registration not later than 10th January 1983.

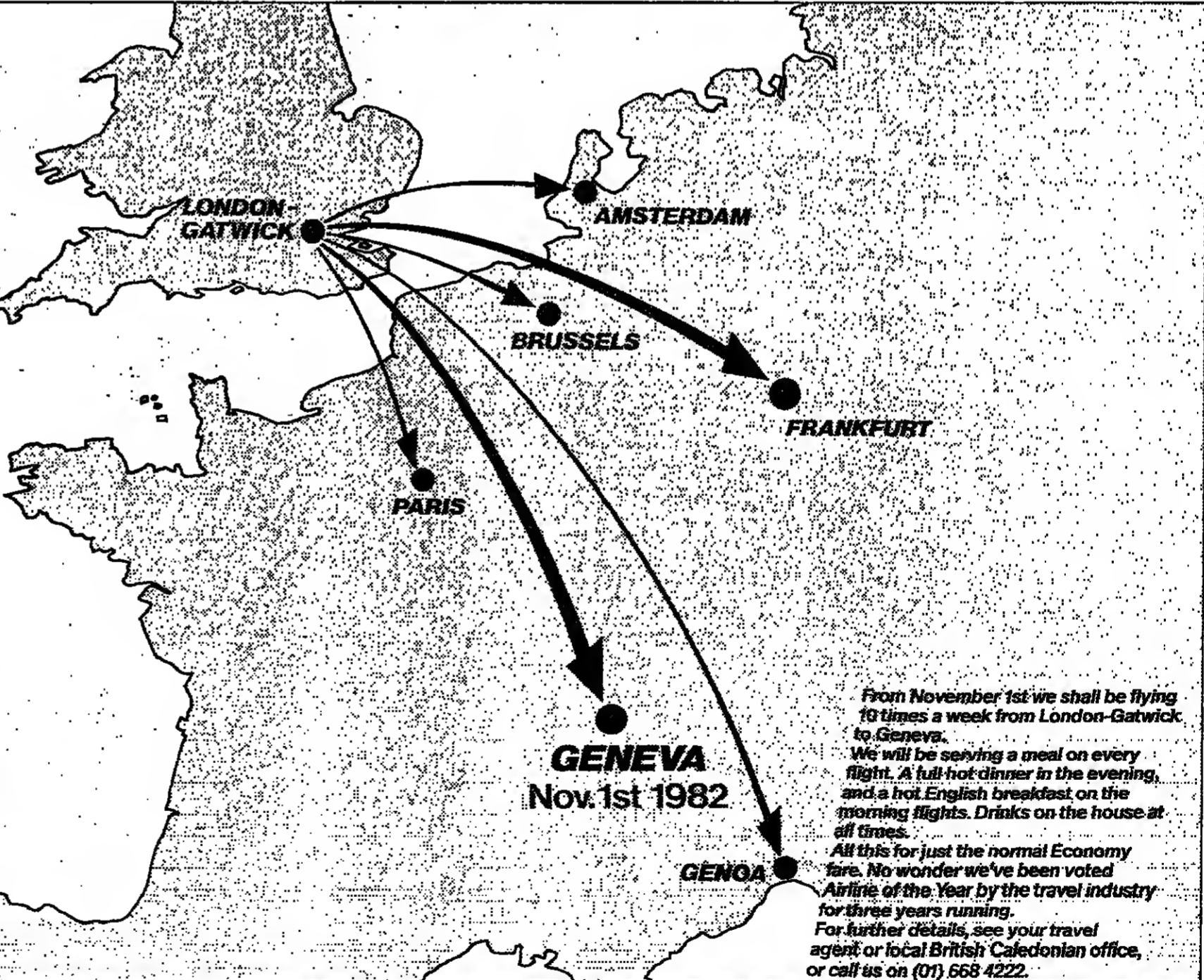
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THE SOCIAL DEMOCRATS AT CARDIFF

Rodgers aims at 2m cut in jobless

UNEMPLOYMENT could be brought down by 2m if an SDP-Liberal Alliance government served a full term, Mr William Rodgers, MP for Stockton and SDP spokesman on employment, said yesterday.

Opening the debate on unemployment, he stressed that the SDP's promise of a reduction of 1m in the number of unemployed over two years was a responsible and properly costed strategy. "We should stick to it and repeat time and time again that we believe it can be achieved."

Mr Rodgers said that, as Mr Roy Jenkins, the party leader, had first said at Warrington and as the SDP was now saying in its economic policy paper, a combination of budgetary measures and crash programme aimed at particular groups could

bring about the reduction. Measures proposed included a reduction of value-added tax to 10 per cent, abolition of the

national insurance surcharge, some increase in current expenditure, restraint on price rises by nationalised industries and some "carefully considered" increases in public capital expenditure.

Mr Rodgers continued: "We cannot say—we do not know—what we might find when we opened the books on becoming the government. The outlook might be far worse than even we expect. But for a full parliament, taking us towards the end of the 1980s, we might take as our target the reduction of unemployment by another 1m, say down to 5 per cent."

Only an Alliance government could achieve these strategies. There is no chance at all that either the Conservative Government or the Labour Party would be prepared to accept the full mix of policies upon which such a strategy depends. "To take the single most obvious element in the successful management of expansion, there is no chance of running the economy at a higher level

of activity while holding the rate of inflation without an incomes policy."

Mr Rodgers went on to criticise the conferences of the two major political parties. "I respect many Conservative politicians and acknowledge their sense of duty. But the self-assurance, the righteousness and the complacency was stunning, no better seen than in Mrs Thatcher herself."

She had said today's unemployed were the victims of yesterday's mistakes, as though her Government had no responsibility whatever. Mr Rodgers said Labour's conference was irrelevant rather than complacent. "How can it believe that the nationalisation of 25 out of the largest 100 companies will create even one more job?"



Dr Owen: passion over unemployment.

Support for Jenkins 'is total'

DELEGATES RESPONDED enthusiastically to a speech by Dr David Owen, condemning the inadequacies of Mrs Thatcher and Mr Foot and projecting Mr Roy Jenkins as the saviour of Britain.

Dr Owen dismissed suggestions of strained relations between himself and Mr Jenkins by declaring that the party leader had the "total support" of all his colleagues in the Commons.

He commended Mr Jenkins to party members and the entire electorate as the man "who should be Prime Minister."

Dr Owen predicted that unemployment would be the decisive issue at the coming general election. "It is time that the country felt the passion within this party on unemployment," he added.

Calling on Social Democrats to demonstrate their determination to overcome the problem, he said: "This is the issue on which our radicalism, our rationality and our resolution will be tested."

Dr Owen admitted that it might take longer than five years, possibly even a decade, to get unemployment down to tolerable levels. "That is our task and nothing else will do."

Dr Owen went further when he criticised the Government for staging the Falklands parade before the conclusion of the party conference. "Many of us would have liked to be there to pay our personal tribute."

But he underlined the need to ensure that tributes to the valour of the forces did not obscure the outcome of the inquiry into the reasons why Argentina had been allowed to invade the Falklands.

Liberal reject fears N-power development opposed

LEADING LIBERALS attending the conference as observers dismissed potential difficulties in drafting a joint election programme with the SDP.

Mr Richard Holme, last year's Liberal president, told a meeting on the future of the Alliance that the two parties were working on election policies through a joint programme committee.

He said the Alliance's slowness in forming a joint programme had been inevitable because the SDP had taken time to coalesce. But both parties had a burning desire to get on with it.

The programme need not be very detailed, he said. The Alliance had to escape the "strangery of the manifesto" so that in government it could retain the flexibility it would

need. But it had to set out its priorities.

"We don't stand a chance at the next election unless we have a joint programme for government," Mr Holme said.

He listed his priorities as a statutory incomes policy, investment in industry for recovery, an end to gross discrepancies in wealth distribution, proportional representation, a working policy for disarmament, expansion of education and training, and positive policies on conservation and nuclear power.

Mr John Griffiths, the Liberal president, told the conference in a fraternal address from the platform that the two parties were in harmony about objectives.

"We in the Liberal party, almost in a man and woman, are totally committed to the success of this alliance."

AN UNOFFICIAL study group of Social Democrats yesterday came out against the development of further nuclear capacity in Britain.

That is contrary to the views put forward by SDP leaders such as Dr David Owen, but is in line with the strongly held position of the Liberal Party. The SDP has yet to produce its official policies on energy.

In a report on energy policy, the Social Democratic Industry and Finance Group yesterday argued that there were now doubts whether an economic case could be made for constructing new nuclear plant ahead of need.

The group also argued that the SDP should not support the construction of a pressurised water reactor at Sizewell, Suffolk, until it was satisfied that there was a clear need for additional generating capacity. That the economic case was sound and that that type of reactor was safe to operate in Britain.

The report also called for the reversal of the recent Oil and Gas Enterprise Act so as to return the British National Oil Corporation to national control and to secure a longer-term devolution policy. North Sea gas should be reserved for high premium applications and not used in markets more suited to coal, the group said.

Health staff pay claim 'should go to arbitration'

THE GOVERNMENT should move to settle the health service dispute by sending the claim to arbitration, Mr Mike Thomas, SDP spokesman on health, said yesterday.

Mr Thomas introduced the party's Green Paper on health and social services. He said that in the last ten years there was hardly a group in the health service, from doctors to porters, which had not undertaken or threatened strike action. The atmosphere within the NES had deteriorated substantially.

"Industrial action has been fundamentally corrosive to the altruistic objectives of the NES and all those who work within it. The present dispute will leave a legacy of bitterness from which the service may take years to recover."

The price the health service and community would pay if the Government persisted in its course would "far exceed any money it may save."

"We should aim in the health service to extend the 'no strike' commitment of the nurses to the rest of the workforce, underwritten by its acceptance in ballot in return for a fair system of pay determination which will maintain their living standards in relation to comparable groups."

Health service workers had to grapple with the need for efficiency, for audits, and cost reduction. Caring about people also meant caring about costs, Mr Thomas said.

Miss Polly Toynebee, a member of the party's national steering committee, said the party supported the health workers whose pay was pitifully low, but it was against sympathy strikes which could lose public support.

State sector plan changed

THE SDP has changed some of its proposals on industrial strategy to tighten controls on nationalised industries.

A revised paper due to be discussed at Great Yarmouth calls for an efficiency audit commission for the nationalised industries. This would investigate specific areas of operation, would monitor performance and would review investment programmes.

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Welsh devolution plan unveiled

CREeping devolution for Wales, taking up to a decade to implement, is proposed in a discussion document unveiled by the Welsh SDP.

The SDP's basic commitment to decentralisation is due to be endorsed by the party's governing council later this week, but many details are vague.

The precise assembly model proposed by the Welsh party is similar to that which was rejected in the devolution referendum in 1979—an executive rather than a legislative assembly of some 75 representatives elected by proportional representation. It would go hand-in-hand with the abolition of the county council tier of local government.

Initially, the document suggests, the Welsh Grand Committee of MPs could meet more often and the House of Commons Welsh affairs select committee should adopt a more active role.

Thatcher Government 'most incompetent'

THE THATCHER Government "is probably the most incompetent since the war," Mr David Sainsbury, finance director of the grocery chain and a trustee of the SDP, told the conference yesterday.

He argued that, with unemployment at 3.3m, the economy was as much out of control as if there were an inflation rate of 25 per cent or a major balance of payments crisis.

Mr Sainsbury added: "The fact that the Government refuses to accept that the economy is out of control makes the situation particularly dangerous." The sad fact was that monetarism had been as much help to industry as hind-

letting had been to sick patients in the 19th century.

Mr Sainsbury emphasised the implications of the emergence for the first time in April of a balance of payments deficit on manufactured goods. It meant that, but for the benefits from North Sea oil, Britain would not be able to afford the food she needed to import.

A recent entrant to the party, Mr Derek Scott, who was an adviser to Mr Denis Healey when he was Labour's Chancellor of the Exchequer, called on SDP members and supporters to make a determined effort to stay the course.

The plight of the unemployed made it imperative that the SDP should "dig in" and fight

the next election determined to win.

Mr Glyn England, former chairman of the Central Electricity Generating Board, gave a warning against the advocacy of over-simplified remedies which were liable to result in the unemployed forming expectations which could not be fulfilled.

Miss Gillian Walker, Wrexham, said any cut in income tax made in the next budget would be of no value to the low paid or the unemployed. "It will be like giving a blind man a pair of glasses."

The SDP's determination to have a long-term future was reaffirmed by Mr Gwynno Jones, the party's unsuccessful candidate in the recent Gower by-

election.

"Whatever happens at the next election, this movement is here to stay," he said. People disillusioned with the two old major parties expected the SDP to last the course and to offer a radical alternative.

Mr Michael Bailey, a former antique dealer from Stroud, Gloucestershire, said he had been out of work for two years. "Unless the unemployed have some hope, we will face national anarchy and begging on our streets."

Mr Norman Stangross, St Albans, espoused to the SDP to agree final policies with the Liberals by early 1983 and to present them in an easily identifiable way to the electorate.

Williams warns party of 'hard slog' ahead

THE ALLIANCE will succeed only if party workers and parliamentary candidates grasp the need for sloging and hard work, Mrs Shirley Williams told the conference.

"Politics is a tough, demanding business, whose prizes go to the persistent, the enduring, and the determined," she said. "Politics is about doorsteps and long flights of stone stile, about rain and cold and bells that no one answers."

The SDP had the political vision to break through, but convincing the electorate demanded a huge effort. "That herd work is the acid test of our commitment—the commitment

to a new and better deal for Britain."

Mrs Williams said no one could accuse Mrs Thatcher of lacking political will. Caught up in a vicious spiral of the Government's own making, she and Sir Geoffrey Howe, the Chancellor, had forced up interest rates and the value of sterling. This had caused a fall in demand, leading to a recession and lost jobs. Even the Treasury saw no respite from rising unemployment before 1985.

The Government had made sympathy a term of abuse, and as a companion a dirty word. "As I watched the comfortable

cheering the culpable at Brighton, I wondered how many had sons and daughters, whose applications for jobs received no answers, how many waited for houses that never got built, and repairs that never got done."

The Government had promised tax cuts to win votes, but had raised taxes more than 11 per cent in the first two years of office.

The Government's policy was to do nothing directly about unemployment. It had even changed the basis of the jobless figures to exclude those not claiming benefit—mainly married women—who had

out 100,000 from the unemployment register at a stroke.

The Government was giving the wasted generation a wooden spoon for its birthday. "Unless urgent action is taken to improve and alter their position they could become a source of massive grievance and bitterness within the whole of our society."

Mrs Williams said a survey in Austria had shown that a combination of partial retirement, flexitime, job splitting and paid study leave, together with new technology, could keep unemployment down to about 3 per cent until the end of the century.

LABOUR NEWS

Scargill risks union loyalty

Some miners are not happy at an overtime ban, John Lloyd reports

ARTHUR SCARGILL is taking a big risk. His call for an overtime ban as the first stage in a campaign to force up the National Coal Board's 3.3 to 3.1 per cent pay rise has been met. But it appears to be obeyed by drawing deep on the loyalty of the miners to their union— at any rate in those areas usually described as "traditionally moderate."

The leaders of two of these, the tiny Leicestershire field and the big Nottinghamshire area nearby, yesterday spoke of the strong feeling in their areas against the strategy now being pursued by the National Union of Mineworkers' leadership.

If this feeling is shared by miners in other areas—and those in the major areas of Yorkshire, Scotland and South Wales are often more radical in their views—it could mean, and many right-wing leaders believe it will mean, that the ballot vote for strike action to be taken on October 23-29 will not reach the required figure of 55 per cent.

Ray Chadburn, president of the Nottinghamshire NUM area, was the man badly beaten by Mr Scargill for the national presidency early this year. He has no intention, however, of appearing to be disloyal to national decisions to which he has been a party. He is pressing for area solidarity behind

the national executive's position; but initially, at least, it was an uphill struggle.

"We had an area meeting here last Saturday and more than 11 pits (of 27) were against the strike call. There was swearing, and shouting 'up there' (he gestured to the first floor of the area headquarters in Mansfield). One pit had collected 600 signatures against the ban. Many of them were saying 'we should have had a ballot on the ban before we imposed it.' But as I said—the national conference voted it, a special delegate conference approved it and it was democratic."

It appears that democracy was very much the issue in Nottinghamshire. Delegates told their leaders they objected to pay and closures being linked on the ballot form. They should, they said, have been consulted. Another issue, Chadburn believes, is the heavy but powerful one of financial commitments. His son-in-law, a face-worker, has a mortgage on pay and a car to keep up and even he needs convincing over a Sunday pint. "It's getting too near Christmas," he says. Chadburn says his area dele-

gates made it clear they would not strike over pay, though he has emphasised pit closures. In South Nottingham a number of pits are more than 100 years old and have only a few years of life expectancy. Closures could be a fact of life in Nottingham, he says, "they may not feel it yet."

In his speeches to the conference on Saturday (he made five during the morning) Chadburn emphasised the social consequences of closure: the loss of the traditional heart of a pit village; the erosion of old community values. By the end of the meeting he had whittled the rebels down to two, and in the early part of this week he has brought them into line too.

At branch level the Nottingham area is solid, if mutiniously so: they will attempt to operate the ban. What the members will do when it comes to the vote in a little over two weeks' time is, as he admits, another matter. In Leicestershire Jack Jones provides a salutary, if stylised, warning to those who believe that miners faced with closure are automatically made militant. The old Leicestershire coalfield is finished. Its six pits, three of which were sunk

a century and a half ago, may just stagger on to 1983 when the area's union celebrates its centenary.

Pit closures, or rather area closures, have been an accepted fact of life in Leicestershire for years, no matter what the NUM says. "We know where we stand," says Jones, the area's general secretary and only full-time official. "They're played out, finished."

Jones carefully spells out his area's position: "We're saying that we will work overtime on a safety and maintenance basis to safeguard the coal reserves. But we support the executive and the decision of the special conference."

But the decision of the special conference was indeed for an overtime ban? Jones gently evades from the question, and another on how he thinks his members will vote on industrial action. "It's difficult to say," he says.

He rejects the word "moderate." Like Chadburn, he is proud of the area's record in striking wholeheartedly once a decision is taken, but he says: "We're realistic. We know what's what." He is worried about his area's rundown and the prospect of being in the Vale of Belvoir, which will, he hopes, provide jobs for some 1,400 of his 3,200 members by the end of the decade.

Public service pay tactics settled

BY BRIAN GROOM, LABOUR STAFF

UNION leaders representing three million public service workers signalled yesterday that they will be seeking pay rises above inflation in the new pay round.

They will try to build on the lesson of this year's deadlocked five-month health service dispute to mount a wider public service pay campaign, based around opposition to the Government's 3.5 per cent pay target.

The TUC Public Services Committee decided yesterday that it wanted claims for teachers, health staff, civil servants and local authority workers not only to match inflation—currently 3.2 per cent—but to restore living standards eroded in previous years. Last year, the committee's aim was to protect real earnings.

This is the second year that the TUC has agreed on "common core" elements for public service pay claims. This year's

common elements include special protection for the low paid and shorter working hours, where appropriate. An attack on low pay is to be a special part of the campaign.

The committee said it would be seeking co-ordination with other public sector unions which have greater industrial muscle than the public service workers. A joint meeting with the TUC nationalised industries committee is to be arranged for November.

Mr Geoffrey Drain, chairman of the committee, said that, in view of the support given by miners and others to the health workers, aiming for that kind of co-ordination was "more realistic than I used to think it was."

Mr Drain said pay claims would vary between different groups of workers, but they were unlikely to be much short of 8 per cent "putting it as its lowest—and that would be pretty low as a starting point."

He said the health dispute had shown the importance of achieving a common settlement date, which is now April 1.

A cluster of health workers, white collar civil servants and teachers settle in April, and there is an indication that 160,000 industrial civil servants might attempt to shift to this date from July.

However, there is still a wide variation of settlement dates. For instance, there is no firm move to bring together local authority manual workers, who settle in November, and local authority white-collar staff, who settle in July.

The TUC committee said the Government's 3.5 per cent pay target, which applies directly to workers paid by central Government, was "an attack on living standards, and, by preempting negotiations by Government edict, is an attack on collective bargaining procedures throughout the public service."

Health workers asked to strike on November 8

By Brian Groom, Labour Staff

HEALTH WORKERS will be called out on a one-day national strike to support their 12 per cent pay claim on November 8, the day transport workers are being urged by the TUC to stage a one-day stoppage in support.

The strike call was endorsed last night by the TUC health services committee, which intends to maintain accident and emergency services under the TUC code.

Lancashire and Greater Manchester hospitals were hit yesterday by the TUC regional day of action. Unions said 40,000 of the region's 100,000 health workers went on strike. Accident and emergency cover was maintained.

The Amalgamated Union of Engineering Unions executive asked 30,000 transport members, mainly maintenance workers, to back the November 8 transport strike.

BL shop stewards reject 2-year deal

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CAB's senior shop stewards yesterday overwhelmingly rejected the management's offer of a two-year pay package. Instead, they voted in Coventry to press ahead with their original claim for 20 per cent plus.

However, clearly uncertain about militancy at the shop floor level, the unions are to hold plant meetings to make sure they are moving in step with the 38,000 workers.

BL insisted last night that it was still on course to reach a negotiated settlement by the review date of November 1.

In a separate issue more than 800 craft workers at the Cowley assembly plant, Oxford, voted yesterday to strike from Tuesday unless the company withdraws a "final warning" issued to Mr Roy Fraser, their convenor and much publicised

unofficial toolmakers' leader. Disruption of the assembly plant could be particularly damaging to the LM10, Austin-Rover's new middle-range car goes into volume production this month ready for launch next spring.

BL last night appeared calm in the face of the threatened strike. "No talks are planned, we will have to wait and see how the situation develops—how many go on strike and what effect it will have."

The company said most of the craft workers were in the tool room and their action might have only a limited immediate effect on assembly.

The company issued a final warning to Mr Fraser in June for holding "unauthorised meetings." But Mr Malcolm Young, Oxford district secretary of the engineering union, insisted yesterday that Mr Fraser as the union leader was "not being allowed to carry out his constitutional duties."

NUR resolutions hold key to Weighell's future

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE ROW over Mr Sid Weighell's voting at the Labour Party conference is likely to be pursued by the National Union of Railwaymen's executive, even if today's special NUR conference calls on him to withdraw his resignation from the union's general secretaryship.

A decision to proceed with action against Mr Weighell depends considerably on the resolutions likely to be debated today at the union's special conference in Birmingham.

The action could include the revival of attempts to suspend him from office, pending an inquiry into his part in following the union's instructions on the evening of the 170,000-vote block vote in the Labour Party national executive committee election.

If, as seems likely, the resolution taken follows those already submitted by such NUR branches as Crews and Birch in Cardiff, and simply calls upon Mr Weighell to reconsider his decision, executive committee members feel that this will still allow close questioning of Mr Weighell's conduct.

However, if any resolution exonerates him, then members of the executive feel that the issue will be closed, though they feel that Mr Weighell will still largely be discredited in the eyes not only of the NUR membership but of the wider trade union and labour movement.

Executive members accept the constitutional sanctity of today's decision, but equally believe that Mr Weighell will need a comfortable majority to be comfortably returned. NUR members believe they have secured enough votes of the 77 conference delegates to prevent this, though the fight is also still confident of a successful outcome.

The NUR executive insisted yesterday that the issue was a constitutional one, rather than one of internal union politics.

Mr Owen Connehey, chairman of the NUR negotiating committee, said that, if last week the executive had been able to put its motion to suspend Mr Weighell from office, it would have attracted 10 votes out of the 28 on the executive's crossing internal political boundaries.

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Now, through National Savings you can use your savings to top up your earnings or your pension.

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For details of the terms for cashing in at three months notice, and for cashing in during the first year, see paragraph 6 of the prospectus, which is published in full, below.

The prospectus and application form together with a pre-paid addressed envelope is also available at Post Offices.

How to invest.

You can buy Income Bonds by completing the coupon and posting it with your cheque, made payable to 'The Director of Savings' and crossed 'A/C payee', to this address: The Controller, NSIB, Bonds and Stock Office, Blackpool FY3 9YP.



Income Bonds

PROSPECTUS

1. The Director of Savings is authorised by the Lords Commissioners of Her Majesty's Treasury to receive and further notice applicants for National Savings Income Bonds ("Bonds").

2. The Bonds are a Government security issued under the National Loans Act 1968. They are registered in the National Savings Stock Register and are subject to the regulations relating to the National Savings Stock Register for the time being in force, so far as they are applicable. The principal and interest on the Bonds will be charge on the National Loans Fund.

PURCHASE

3.1 Subject to a minimum initial purchase of £5,000 (see paragraph 4.1) a Bond may be purchased for 1,000 or a multiple of that sum. Payment in full must be made at the time of application. The date of purchase will for all purposes be the date of receipt of the money with which the application form, at the Bonds and Stock Office, Blackpool, or at other places as the Director of Savings may specify.

HOLDING LIMITS

4.1 No person may hold, either solely or jointly with any other person, less than £5,000 or more than £200,000 of Bonds. Bonds inherited from a deceased holder will not count towards this permitted maximum. Furthermore, Bonds held by a person as trustee will not count towards the maximum which he is permitted to hold in his personal capacity; nor will Bonds held in trust count towards the permitted maximum of a beneficiary's personal holding.

INTEREST

5.1 Interest will be calculated on a day to day basis from the date of purchase at a rate determined by the Treasury ("the Treasury rate").

5.2 Interest will be payable on the 5th day of each month. The Director of Savings may defer payments of accrued interest otherwise due in respect of a Bond for the period of six weeks following the date of purchase until the next interest date following the end of that period.

5.3 If on repayment the Bond has, by reason of paragraph 5.1, earned less interest than the total amount paid in respect of the Bond under paragraph 5.2, the balance will be deducted from the sum to be repaid. Any interest earned on the Bond and not repaid before the date of repayment will be added to the sum to be repaid. In the case of repayment under paragraph 6.2, it is not reasonably practicable to top up interest payments if being made in the

reimbursement certificate. The period of notice given by the Bondholder will be calculated from the date on which the application is received in the Bonds and Stock Office.

5.4 The Treasury may from time to time vary the Treasury rate upon giving six weeks' notice.

5.5 The Treasury may from time to time vary the intervals and dates on which interest is payable, upon giving notice, and in so doing may specify holding limits above or below which any variation will apply. No variation will apply to a Bond issued before the variation unless the Bondholder agrees to such application.

5.6 Interest on a Bond registered in the sole name of a minor under seven years of age will normally be paid into a National Savings Bank account in the name of the trustee.

5.7 Interest on Bonds is liable to the deduction of Income Tax, but it is subject to income tax and must be included in any return of income made to the Inland Revenue.

REPAYMENT

6.1 A Bondholder may obtain repayment of a Bond at par before redemption upon giving either three or six calendar months' notice. The amount of interest earned by the Bond from the date of purchase until repayment will be determined by the period of notice given by the Bondholder and by whether or not repayment takes place before the first anniversary of purchase.

	3 months' notice of repayment	6 months' notice of repayment
Repayment before the first anniversary of purchase	No interest in respect of any period	Interest at half the Treasury rate from the date of purchase to the date of repayment
Repayment on or after the first anniversary of purchase	Interest at the Treasury rate from the date of purchase to the date the notice of repayment is received at the Bonds and Stock Office	Interest at the Treasury rate from the date of purchase to the date of repayment

6.2 Where an application for repayment of a Bond is made after the death of the sole or sole surviving registered holder no fixed period of notice is required and the Bond will earn interest at the Treasury rate from the date of purchase up to the date of repayment, whether or not repayment occurs before the first anniversary of the purchase.

6.3 Any application for repayment of a Bond must be made in writing to the Bonds and Stock Office, Blackpool and accom-

panied by the investment certificate. The period of notice given by the Bondholder will be calculated from the date on which the application is received in the Bonds and Stock Office.

6.4 Applications for a loan made for repayment of a Bond in an amount of £1,000 or a multiple of that sum provided that the holding of Bonds remaining after the part repayment will total with the maximum holding limit imposed by paragraph 4.1 as varied from time to time under paragraph 4.2. The proceeds of the loan are payable to the applicant on the date of purchase and the same interest rates will be applicable to the original Bond immediately prior to repayment.

PAYMENTS

7. Interest will be payable directly to National Savings Bank or other bank account or by crossed warrants sent by post. Capital will be repayable direct to a National Savings Bank account or by crossed warrants sent by post.

MINORS

8. A Bond held by a minor under the age of seven years, either solely or jointly with any other person, will be repayable, except with the consent of the Director of Savings.

TRANSFER

9. Bonds will not be transferable except with the consent of the Director of Savings. Transfer of a Bond for part or a Bond wholly, shall be a financial transaction of £1,000 or a multiple of that sum and will require a deed. The deed must be signed by the transferor and the transferee, and the transfer must be approved by the Director of Savings. The Director of Savings will not make any consent in the case of, for example, the death of a Bondholder, but will accept any proposed transfer if it is made by way of a will or by a court order.

NOTICE

10. The Treasury will give notice required under paragraph 4.2, 5.4, 5.5 or 11 of this prospectus to the London, Edinburgh and Belfast Gazettes or in any other manner which they think fit. If notice is given otherwise than in the Gazettes it will as soon as is reasonably possible thereafter be recorded in them.

GUARANTEED LIFE OF BONDS

11. Each Bond may be held for a guaranteed initial period of 10 years from the first interest date after the date of purchase. The holder of a Bond may, at any time, apply to the Director of Savings for the redemption of the Bond. The Bond will be redeemed at par either at the end of the guaranteed initial period or on any interest date thereafter, in either case upon the giving of six months' notice by the holder. The Director of Savings will, where the Bond is held by a minor, not be bound to accept an address for the Bondholder, but will accept any address of redemption notified by the Treasury.

APPLICATION FOR NATIONAL SAVINGS INCOME BOND
To the Controller, NSIB, Bonds and Stock Office, Blackpool, Lancs FY3 9YP

1. I/we accept the terms of the Prospectus and apply for a Bond to the value of- £ _____,000 Initial minimum of £5,000 and multiples of £1,000 to a maximum of £200,000

2. Surname(s) _____ Full Christian name(s) or forename(s) _____ Mr/Mrs/Miss _____

Address (including postcode) _____

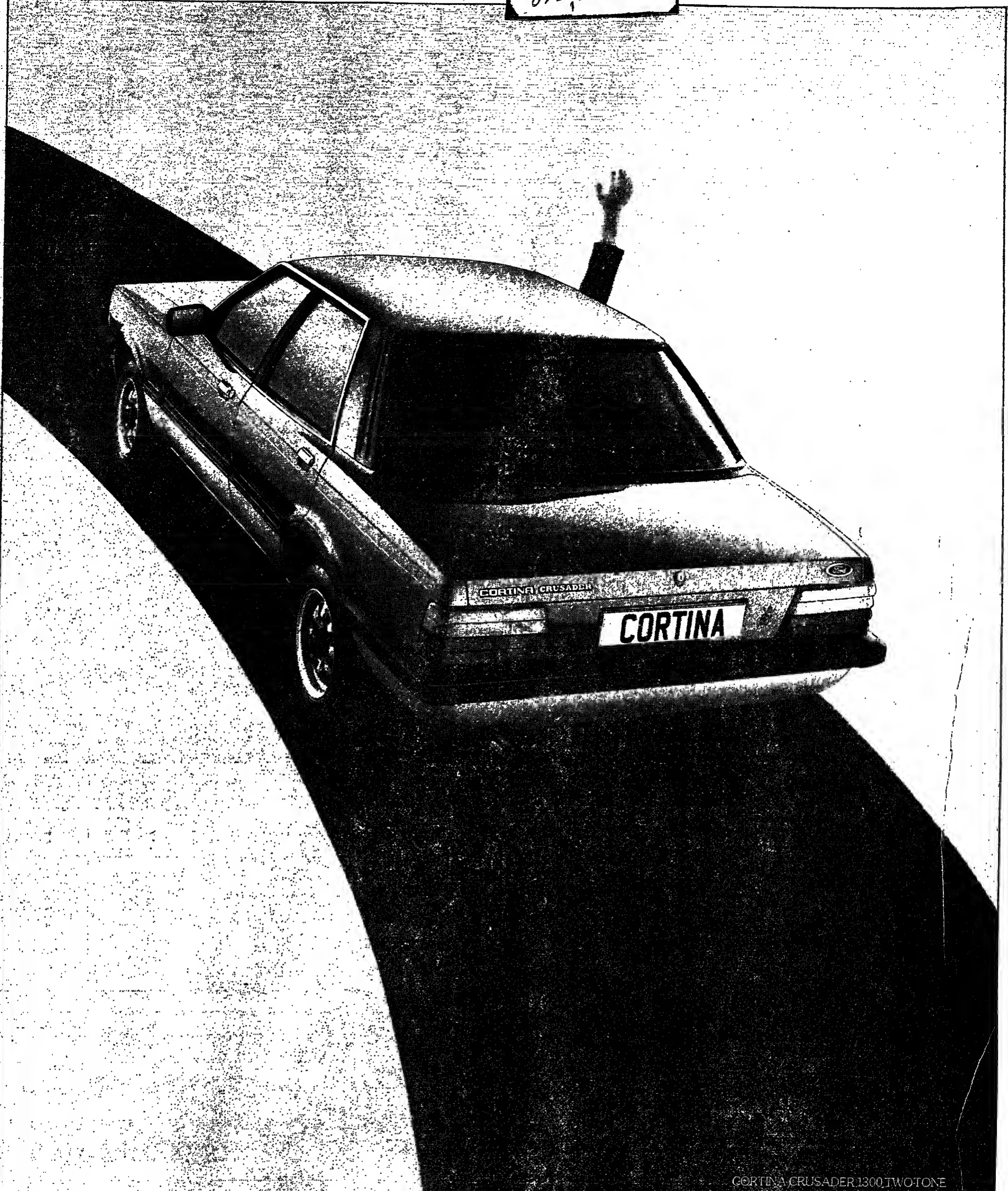
3. Name of Trust (if applicable) _____ Date of Birth (if under 7) _____ Day _____ Month _____ Year _____

4. NAME AND ADDRESS FOR DESPATCH OF INVESTMENT CERTIFICATE (if different from above):
Name _____ Address _____

5. DIVIDENDS TO BE PAID BY CREDITORS - (if not to a National Savings Bank or other bank account, enter name and address to which dividend warrants should be sent):
Bank _____ Address _____ A/c Name(s) _____ A/c No _____

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But here's a couple of things you may not know.

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And two, this fundamental restructuring of its prices is going to make its departure a very speedy event.

Bearing that in mind investors, we urge you to dash out and buy one now.

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*Maximum price for Cortina 1300 2-door £4133. Car illustrated is a Cortina Crusader 1300 two-tone at £4881. **Maximum price for the single-tone L3 saloon at time of going to press is £4701. Recommended retail price for Cavalier GL 4-door saloon L3S £5818. †Maximum prices correct at the time of going to press. All prices quoted in this advertisement include seat belts, car tax and VAT. Delivery and number plates at extra cost. All models subject to current availability.

TECHNOLOGY

EDITED BY ALAN CANE

US CAMERA GIANT RESPONDS TO JAPANESE CHALLENGE Disc to screen from Kodak

BY ELAINE WILLIAMS

KODAK EASTMAN has at last shown signs of responding to the threat to conventional photography which will be posed by Sony's revolutionary still camera, the Mavica.

Kodak has revealed a prototype system which will allow photographic negatives of its recently introduced disc camera system to be viewed on a television screen.

The 13-frame disc negative is simply slotted into the electronic viewer. The user can select individual frames or enlarge any part of the negative on the television screen.

The heart of Kodak's prototype viewer is a charged coupled device which converts the light images on the negative into an electronic signal for display on the TV screen. The CCD sensor

contains about 350,000 picture elements and produces an extremely sharp picture on the screen.

Kodak is at pains to point out that the electronic viewer is merely a demonstration of the company's advanced technology and does not indicate an intention to market the device in the near future.

Mr Walter Fallon, Kodak's chairman, did indicate a commitment, however, when he said: "Disc cameras will become more popular as related technology extends the range of display options open to the customer."

The rival Mavica camera system, which is due for launch next year in Japan, resembles a single lens reflex still camera but records images on to a

small magnetic disc. The disc can be erased, re-used and removed from the camera when only partly used without destroying the image.

The magnetic disc can be inserted into an electronic unit which converts the magnetic signal into a television picture within minutes of a picture being taken. Alternatively, a conventional photograph on paper can be made in the home using a printer that Sony announced in March.

Today, however, the reproduction quality from a Mavica camera is inferior to that of an instamatic snap. This is because the camera's eye—the charged coupled device which detects light—has only a third of the density of fine photographic film.

Kodak hopes that its disc system will have a firm hold on the market before the Sony challenge begins. Mr Fallon has forecast that \$m of Kodak's disc cameras will be sold before the end of the year. That is twice the number of cameras that were sold in the 1980s when the company introduced the first instamatic models.

Another part of Kodak's strategy to ward off future electronic rivals has been to push the technology of conventional photography further forward. For example, it has announced the development of 1,000 ASA film—the fastest colour film in the world. Today the fastest amateur film is around 400 ASA.

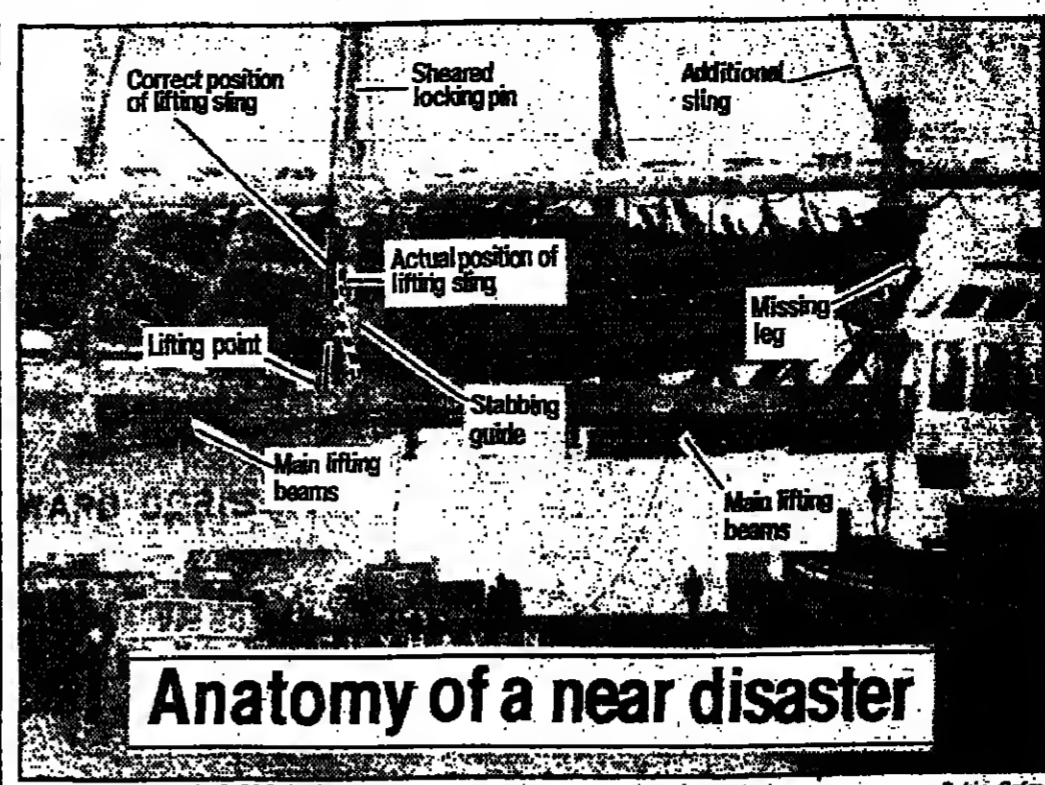
Kodak says that the film is so fast that some camera makers only anticipated that 800 ASA would be achieved in the near future—so that is the fastest film they can accommodate.

Such a high film speed enables photographers to take pictures under a much wider variety of light conditions. Until now fast film speed could only be obtained by sacrificing the overall quality of the final picture. This was due to the limiting size of the silver halide crystals—the light sensitive part of the film which determines the grain.

Kodak has altered the shape and sensitivity of the silver halide crystals in the film emulsion. A film is made up of many thin layers of light sensitive material.

The larger the silver halide crystals—the faster the film will be but at the expense of a coarser grain on the photograph.

However Kodak has managed to flatten the crystals so that they still respond rapidly to light but produce a finer grain photograph. The company says that the new film opens up many opportunities for the future, possibly in the disc systems too.



Anatomy of a near disaster

Robin Cook

CONSULTANT ENGINEER GIVES PERSONAL VIEW Why Mary rose a little late

BY ALAN CANE

WHAT WENT wrong with the final stages of the recovery of the hull of the Tudor warship *Mary Rose* from the treacherous waters of the Solent?

Confidence was running high last Saturday. Mr John Bowering of Howard Doris, the firm which owned and made available the giant crane *Toy Mor*, told reporters: "The last bit is just a straightforward lift out of the water. Any fool could do it."

Yet by early Sunday morning, the lift seemed in grave jeopardy. A leg on the lifting frame had been seriously damaged and could not be located in its socket.

When drastic measures solved that problem—the offending member was cut away with thermic lances—and the lift commenced, there was a moment of the purest drama as part of the frame gave way and the fragile hull of the aged warship was threatened with obliteration by the upper part of the lifting frame.

Even as the *Mary Rose*, safely mounted on her barge, was being towed to Portsmouth Dock on Monday evening, the upper part of the lifting frame began to sink on to the hull and had to be supported.

How does Mr Ronald Crocker, managing director of R. Crocker and Partners, the small firm of consulting engineers who designed the underwater lifting frame, the steel cradle and the arrangement of steel wires by which the *Mary Rose* was suspended in the cradle, feel about the project?

"I feel triumphant," he told me yesterday. "In fact, I feel more triumphant as a result of what appeared to be a near disaster than if it had not happened at all."

"Our design for the lifting cradle not only brought the *Mary Rose* safely to the surface, but was able to take in its stride totally unforeseen circumstances."

Those circumstances included a bad mistake in the placing of the lifting slings and components of the lifting frame which were only half the design strength.



Ronald Crocker

Mr Crocker makes it clear that he does not feel that blame should be allocated for these errors. The lift was a powerful example of teamwork, the strength of the design and the quality of the planning overcame the problems.

Mr Crocker explained what went wrong: "When we started the final lift, I could not possibly have foreseen what was going to happen. I did not know that one of the main lifting slings attached to the cradle had been incorrectly rigged, so that it wound round the stabbing guide (the socket on the cradle into which the lifting frame legs fitted) crushing it instead of running vertically upwards."

"The slings had been placed in great haste because the lift had already been delayed by 24 hours because of problems with the damaged leg—in the early hours of Monday morning."

"As the underwater lifting frame (which was not designed to carry any load in the final lift because all the weight was to be carried on the cradle) and the *Mary Rose* first broke the surface, the south east corner appeared to be very distorted."

Perhaps I should have said at that stage: "Is there something curious going on underwater that I do not know

about", but there had already been the problem with the leg in the north-east corner, and I did not know the exact distribution of weight in the cradle—so I gave the order to go ahead.

"As the frame came out of the water, instead of the proper lifting point on the cradle taking the load, it was all carried by the upper frame—which had not been designed to take any load at all."

"Something had to give—and it was the locking pin securing on the leg. The upper frame came crashing down, shearing another locking pin until it came to rest on the third pin."

Colonel Wendell Lewis, director of recovery, is credited with having insisted that two extra pins were inserted below the locking pin on the suspect member. The third pin prevented the 56-ton frame crashing.

Mr Crocker went on: "At the time, it was not immediately obvious what had happened. I could see the locking pins had sheared and it was also obvious that the locking pins were considerably smaller than the ones we had designed."

"We asked for four inch diameter locking pins; those used were in fact only about two inches in diameter."

The weight of the *Mary Rose* and its metal cradle in water was about 270 tonnes, in air with most of the water removed from the hull and the tubework of the frame about 500 tonnes. *Toy Mor* is capable of lifting 800 tonnes. So what did the lift team do? They decided to support the upper frame as much as possible by tightening a series of half-inch steel wires which were attached to it forming part of the suspension system for the ship underwater—and continue with the lift.

The old ship's tribulations were not over. On its journey back to Portsmouth, the upper frame started again to threaten the safety of the hull. Mr Crocker explained: "When the load came off the main slings, so also did the load come off the sling supporting the corner of the upper frame from which the leg had been removed—and so the frame started to tilt down again. So we have had to put a prop in there."

OVERSEAS MOVING BY MICHAEL GERSON
01 446 1300

Semiconductors Analogue signal processor

INTEGRATED CIRCUITS has introduced a signal processing chip which can receive an analogue signal, digitise it, process it in real time and then convert it back to its original analogue form.

Known as the 2821, this chip has been optimised to handle real-time signals and is geared to high-volume applications. The company projects a 16-week turn-around for customers ordering the chip, and it foresees markets in modems, peripheral computing equipment and robotics.

The chip is in reality a digital microcomputer that has been optimised to handle four analogue inputs and eight analogue outputs in real time. It can perform several processing functions that in the past have been assigned to a number of separate analogue items, such as operational amplifiers, resistors and capacitors.

Intel claims that all other signal processors on the market have digital inputs and outputs.

An electrically programmable read-only version of the chip is available for low-volume applications. More from Jacques Brunet, Intel Corporation, Rue de Moulin a Papier, Boit 1, B-1160, Brussels.

Electrics Shrinking standby lighting

STANDBY LIGHTING fittings of the kind used in hotels and guest hotels, have been cut down to size.

Currently the size of a shoe box, lighting fittings of this kind are usually supplied complete, ready for screwing to a wall. The new system, from Chloride Standby, is designed so that it can fit into a standard surface-mounted or recessed socket box. In the latter case, the dimensions of the parts protruding from the wall are only 148 x 38 x 42mm.

Normally the lamp, which can be a six-inch four watt fluorescent tube or a small filament bulb, is off and the two nickel cadmium cells are kept charged from the mains. If the AC supply is interrupted, an electronic circuit automatically switches on the lamp which will then run for three hours.

Known as the Eardie Acorn, the unit will be sold in packs of five—as is the socket box with which it must be used.

The main attraction (apart from the price, £25 for the fluorescent version) is that the contractor can first install and wire the boxes and as a last step plug the units in. More on 0705 36611.

Telecomms Low cost acoustic couplers

EVERY computer user who wants to connect his machine to the telephone line needs a device such as an acoustic coupler. This converts the digital information produced by the computer into audio tones so that it can travel along the telephone line.

Lion Micro Systems in London has now the Scandata 700 range of portable acoustic

couplers which are manufactured by Electro Hed of Australia. The couplers cost £268 each which puts them in the business applications field but weigh only 500 g. More information on 01-580 7383.

Fibre optics Reasons for slow growth in process

ERA OF Leatherhead has just completed a multi-client study in five volumes entitled *Fibre*

Optics for Process Control and Business Communications.

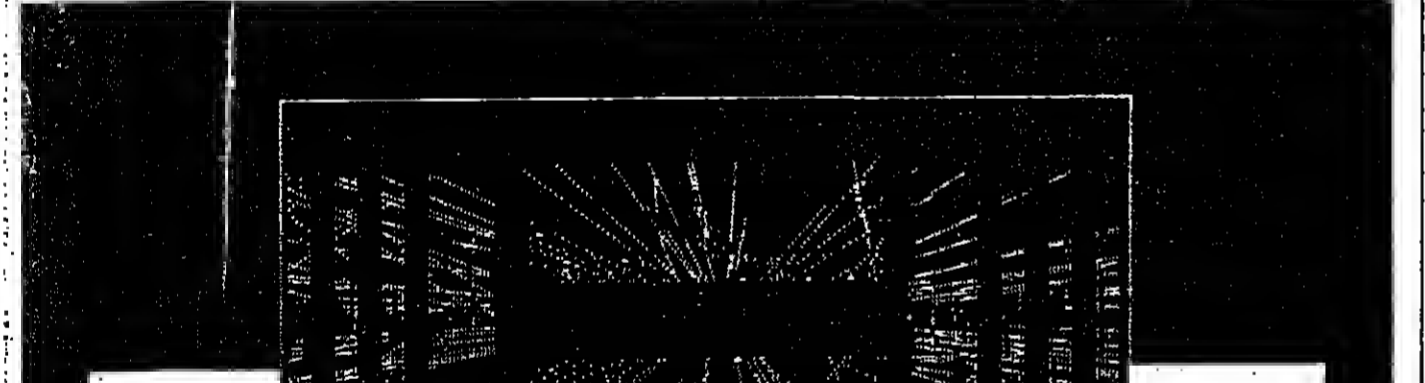
One of the findings of the report is that although fibre optics is already being used in process plants and data communications applications, some restraint of growth can be attributed to the absence of a low-cost means of signal regeneration and an efficient but simple coupler.

The effects of cable television and the use of fibre optics in transducers and instrumentation are covered and one volume of the report is devoted to an analysis of 10 short-haul fibre optics systems

in operation in the UK, with particular emphasis on industrial applications in hazardous atmospheres and in environments subject to acute electrical interference.

The report, which identifies over 100 major suppliers of hardware, costs £1,800.

Data capture A MACHINE to record events during the operation of process plant and machinery has been introduced by Ronan Engineering. Applications are mainly in the chemical and offshore industries. More information: 0632 461639.



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offices and distributors that can guarantee local assistance anywhere in Europe. And they found their answer.

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Online Conferences Limited, Argyle House, Northwood Hills, HA6 1TS, Middlesex, UK. Phone: Northwood (08274) 28211 Int'l Phone: 44-9274 28211. Telex: 923498.

هكذا من الأهل

Swindon

Its success in attracting modern industry has enabled Swindon to weather the worst effects of the recession. Local employers report optimistically on job prospects

New jobs
for old
point
the way

DESPITE an unemployment rate of 11.7 per cent Swindon must be regarded as one of the most buoyant industrial towns in the country, because the changing structure of the local economy has done much to protect per capita incomes in the area.

While a high number of jobs has been lost in the past two years and Thamesdown Borough Council's industrial development unit has been unable to attract sufficient new companies to replace them, the quality of new jobs has been high.

They have been largely in high technology or administrative concerns and are generally better paid than the jobs lost through cutbacks in manufacturing industry, with the result that incomes have recently been rising in real terms, according to Mr Douglas Smith, the council's industrial adviser. Nevertheless, he points out

that the council's planned target of achieving a net annual gain of 3,000 jobs has been impossible to achieve as a result of the recession, and admits that it is now a question of running to stand still.

Nor does he believe there is much prospect of achieving such a target in the next three years if redundancies continue in the old technology industries. "I cannot see unemployment falling much below 12 per cent in Swindon for some time, however strong the local economy," he said.

The town's two largest employers, British Rail Engineering and BL's Pressed Steel Fisher plant, which employ more than 6,000 people between them, are vulnerable to cuts in employment.

Although earlier plans to axe around 1,500 jobs at BREL have been shelved for the moment, it is generally accepted that there will be a substantial reduction in the workforce as work on refurbishing Southern Region trains declines over the next 18 months.

BL has no plans at present to cut the workforce at Pressed Steel Fisher, but the future size of the plant clearly depends on the success of BL's new range of cars over the next two years, and on the condition of UK car market.

Nevertheless, a recent survey of Swindon companies carried out by the council showed far greater optimism about future levels of output than experienced for some time. Two out of every three respondents in a sample of 254 companies expected a growth in production

levels over the next 12 months; only 7 per cent expected a fall.

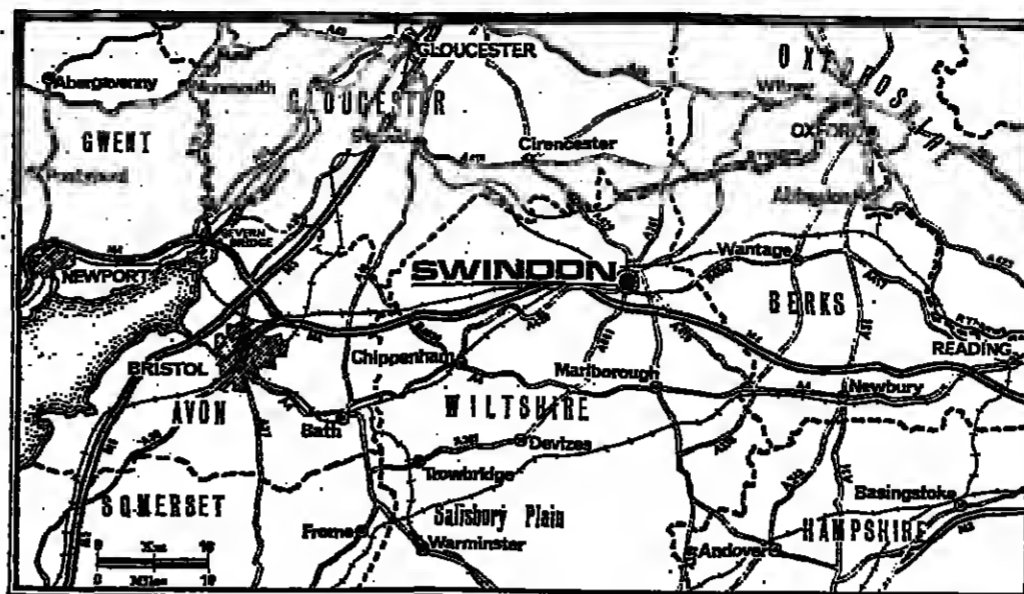
In addition, nearly 50 per cent of companies said they were likely to increase their labour forces during this period, while one in six questioned expected to increase operational floorspace over the next two years.

Significantly, 70 per cent of the positive responses on growth in output came from companies involved in manufac-

turing. Overall, council officers were surprised at how positive the survey result was. The relatively late and so far generally manageable effects of the recession on companies in Swindon are also reflected in the survey result, since around 80 per cent of respondents said they did not believe recession had damaged their business very much. Some even pointed out the beneficial effects, such as the easy availability of labour and materials.

Training and re-training are now playing a major part in the changing nature of local industry, although much of this takes place in-house at companies, particularly those involved in administration. A high proportion of new jobs has come about recently through the arrival or expansion of the office sector and the council has attempted to attract

some of the flow of companies moving their headquarters out of London or other more expensive areas. This policy is partly to make up for the difficulty in attracting manufacturing concerns. The council claims that overall office costs in Swindon, including rates, are now around one-third of those in prime areas of London. Following the recent decision of Philips Business Systems not to take up an option on a major



office site in the town, there is now some optimism that the Civil Aviation Authority will move its offices from London to the town, possibly taking 300,000 sq ft of space and creating more than 2,000 local jobs.

The overall effort to increase jobs is regarded as vital in view of the high youth unemployment, which results partly from the large proportion of young people in the area whose parents moved to Swindon when encouraged by London overspill schemes in the 1960s.

Population of the town is now around 160,000 and rising fast, while about 250,000 people live in the travel-to-work area within a 20-mile radius of the town and are increasingly dependent on Swindon for employment.

Swindon has seen rapid housing development in recent years, aimed at matching industrial growth, but the

western residential development is now near capacity and there is now pressure on other areas, particularly to the north.

It is estimated that around 400 acres of industrial land remains to be developed without further encroachment into the rural area. Much of this development is expected to be undertaken by the private sector rather than the council, which has played an important role in giving momentum to industrial growth.

Swindon has recently joined forces in a limited way with Bristol in efforts to attract industry. It is a link that could have considerable implications, since both centres believe that their long-term interests could be usefully served by closer co-operation.

This applies particularly to relations with central Government, since local political leaders fear that long-term success in industrial development could lead to some form of discrimination against the "western corridor."

At present Swindon and Bristol are seen as a match for the assisted areas, despite lack of financial incentives, but any change in this balance would be strongly resisted.

Similarly, local politicians who agree that the structure of local government should be re-organised to eliminate the present two-tier system (and remove what are regarded as irksome county council powers to restrict) also wish to present a joint approach to central government.

To this end Bristol and

Thamesdown councils are jointly funding a study at Bristol University which will examine the industrial prospects for the two centres and provide information which is regarded as essential to further their interests.

Optimism about the future of Swindon has been assisted by the most recent unemployment figures for the town, which show that there was a marginal fall in August, although so small as to leave the rate unchanged at 11.7 per cent. For the South West as a whole the figure increased from 11.6 to 11.8.

Overall, Swindon's relative success in recent years owes much to its location and the importance the council has placed on maintaining an efficient system of assisting companies wishing to re-locate.

Electronics companies have played a leading part in the recent revival of industry in the South West and Swindon has attracted its fair share. Although some of them are small, they are regarded as vital because they have considerable growth potential.

It remains to be seen, however, whether the growth of employment resulting from high technology activities of this kind can keep up with the decline of more traditional activities. In the short term this seems unlikely but the worst of the manufacturing redundancies are probably over and the longer term growth prospects for the town must be regarded as good.

Two of the most notable companies in this respect are Intel and Logica VTS, the former having recently set up its European headquarters near the town. This U.S.-owned semiconductor manufacturer carries out application engineering and customer training in Swindon, employing around 200 people, but plans for expansion are at an advanced stage.

Logica is one of Britain's leading computer systems houses. It recently raised £5.2m after shares held by the British Technology Group (formerly held by the National Enterprise Board) were sold to UK institutions. It employs 130 people in Swindon and recently launched a personal computer to add to the range of word processors it markets. Growth prospects are good.

Another notable newcomer is R. P. Scherer, the U.S.-owned pharmaceutical capsule manufacturer, which has moved into purpose-built premises and though relatively small in terms of employment is geared to high volume production of its products for a buoyant market.

One of the town's biggest successes, however, is Raychem, also American-owned, which moved to Swindon in 1966 with 23 employees and a turnover of £250,000 a year. It now employs 1,200 people, has a turnover of around £50m and is still growing.

Raychem pioneered the development of heat-shrinkable products through radiation chemistry, resulting in new types of plastic and elastomeric

Growing centre
for high
technology

TECHNOLOGY has played a major part in the recent development of Swindon, traditionally a railway town but rapidly becoming one of the more diversified centres for companies involved in the application of new techniques to improve manufacturing and administration efficiency.

The company has won Queen's Awards for both technology and exports, with around 70 per cent of its products sold abroad. "All this has been achieved through organic growth generated by our technologies in material sciences. Every penny made has been reinvested in the enterprise—in land, building, machinery or working capital," the company said. Raychem has also entered the field of optic fibre cables.

In the area of energy conservation, Swindon has two notable companies, Squaro D and Johnson Controls, both specialising in the use of new technology for the environmental control of buildings. Squaro D has recently introduced its Watchdog energy management system which automatically lowers peak demands of electricity use in buildings through a programmable system. Johnson has worked for a number of major UK companies such as BL and is now installing one of its systems in the National Westminster tower in the City of London.

Robotics work is also undertaken in Swindon by Fairley Automation, which has recently taken over the robotics division of the Norwegian company Jonas Oglænd and has transferred production to Britain. The company also imports a number of Italian-made robots and aims to offer specialised equipment for particular applications.

Fairley intends to develop Oglænd's Move-O-Matic range of robots with its own technology and offer as much flexibility as possible through variants of this particular system.

In the area of communications Thorn TV rentals is likely to play a leading part in the television revolution

Continued on next page

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ENTERPRISE

SWINDON II

Hopes pinned on new industries

SWINDON'S five biggest companies together employ more than 10,000 people and the spread of their activities is a good illustration of the strengths and weaknesses of the local economic structure.

The two largest are British Rail Engineering and Pressed Steel Fisher, followed by W. H. Smith's distribution centre, Burmah Oil's international headquarters, Hambro Life, the fast growing life assurance company, and Raychem, an American-owned specialist plastics concern.

Although these are not proportionally representative of the type of employment in Swindon, they show that administration, distribution and high technology manufacturing are important elements which are likely to offer more employment in future than the older industries.

It is feared that a substantial number of jobs will be lost at BREL's Swindon works by the end of next year as a result of the run-down of work on refurbishing rolling stock on the Kent Coast route.

This had been expected for some time but there were hopes that further works might be forthcoming before then to minimise the redundancies. Union pressure is being applied to maintain the size of the works.

Other recent redundancies have resulted from a number of small company closures but most unemployment is being created by the non-replacement of people leaving companies voluntarily.

By far the largest group of unemployed workers in Swindon are unskilled, reflecting the trend away from traditional manufacturing work and creating problems for the town's industrial planners.

Companies which employ between 500 and 1,000 workers include Plessey Semiconductors, which can be expected to maintain or increase its employment level in coming years, following a long period of rationalisation of Plessey group com-

panies in Swindon with considerable loss of employment.

Other companies in this size range include the pumps and motors manufacturers Sundstrand Hydratech, Square D, the American-owned electronics company and Roussel Laboratories, the pharmaceutical concern, Thorn Television Rentals E. H. Bradley, the construction group, Howard Teunens Services and Triumph International, which each employ more than 500 people locally.

Although Swindon has seen a steady flow of new arrivals in the high technology sector in recent years, this has slowed down since the start of the recession. Added stimulus is expected, however, through the development of 80 acres of land for industrial purposes at Windmill Hill by St. Martin's Property.

Discussions have taken place with a number of major concerns about the development of high quality office and industrial buildings on the site and the town will benefit from the major campaign being undertaken to publicise the site.

Although prestige developments of this kind mean that the number of new jobs per acre being created is considerably lower than in normal industrial buildings, there is considerable existing space for companies with average requirements.

Swindon has also become an important centre for distribution and warehousing, with W. H. Smith one of the largest groups, along with Book Club Associates, which employs nearly 1,000 people. But there is now some resistance to warehousing on the new estates because of the comparatively low ratio of jobs per acre.

However, this ratio has recently become more favourable in comparison with high technology manufacturing, where numbers employed tend to be falling in relation to space required. Overall, council policy is not to discuss the requirements of any company wishing to move and not to discourage. A major factor in the recent

development of Swindon has been the increasing quality of jobs. While redundancies have meant a net loss of employment in the past 18 months, the level of pay in newly arrived companies is generally higher than among those in difficulties.

Stimulate

The steady increase in disposable incomes in the area, according to Mr Douglas Smith, the council's industrial adviser, is benefiting the local economy and helping to stimulate the growth of small businesses.

This has also been assisted by the creation of the Swindon Enterprise Trust—at present a small organisation backed by the council and a number of major local companies such as Burmah—which aims to assist in the creation of new small companies. Further support from industry is expected to follow.

Local banking sources indicate that the level of business borrowing for trading purposes has now declined from a relatively high level experienced when the recession first affected Swindon—considerably later than other industrial areas.

Borrowing for investment is relatively buoyant and this is expected to improve ahead of the rest of the country, since

Swindon is expected to begin moving out of recession before most other areas.

This year saw the final closure of Garrard, the former Plessey subsidiary taken over by the Brazilian company Gradient, while Marconi has recently taken over the Swindon activities of the failed electronics company Technic Micro Systems, and is likely to expand operations there.

According to council figures, more than 300,000 sq ft of industrial space will be taken this year by incoming industry and 27,000 sq ft by incoming office occupants, ultimately creating nearly 700 new jobs. This will be supplemented by an additional 52,500 sq ft being taken up through local industrial expansion and relocation.

Initial projections for next year are low, but this does not take into account the impact of the Windmill Hill development, where one large occupant could boost the level considerably, nor the possible moves by a number of companies now involved in discussions.

However, growth of employment over the next two years is most likely to come from the expansion of local industry, which has shown strong optimism about its prospects. This would do much to offset

likely redundancies over the period.

In the longer term, when the problems of some of the town's larger employers are resolved, either through cutbacks or other forms of rationalisation, the growth prospects of the local economy must be regarded as extremely good, given the high proportion of young companies in growth areas of manufacturing.

The growth impetus of the so-called "western corridor" from London to Bristol, resulting from the preference of high technology companies for easily accessible but semi-rural areas, will also benefit Swindon as space and prices immediately west of London begin to discourage re-location there, it is hoped.

The "corridor" is also attracting an increasing number of small electronics concerns, working on computer peripherals and microprocessor applications, possibly attracted by the presence of the major electronics companies in the area.

While these are unlikely to provide large numbers of jobs immediately, their presence and commitment to new technology is expected to encourage the modernisation of existing industry, particularly through computerisation.

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Centre for technology

CONTINUED FROM PREVIOUS PAGE

which is expected to result from liberalisation of broadcasting laws, now being considered by the Government.

Radio Rentals, part of Thorn, already has a substantial cable television network in Swindon, installed in the early 1960s. It now has around 10,000 subscribers and 1,567 are using its pay-TV channel.

But the company has recently installed equipment near Swindon to receive satellite broadcasts and if the Government go-ahead is given soon for deregulation, the cable system will be re-engineered to take up to 30 channels.

Swindon will be the test bed for cable system in other towns," the company said, adding that Thorn-EMI stood to benefit considerably from such systems since it had the product range to provide the hardware and software in the form of films. Tests have also taken place on interactive systems, giving the viewer the ability to respond to programmes.

In the engineering sector, Deloro Stellite produces a range of wear resistant products in the form of rods, electrodes, wires and powders, serving a cross section of industry from aerospace to chemicals and oil.

The company was bought three years ago by the Cabot Corporation of the U.S., the former owner being British Oxygen. Despite some redundancies earlier this year, and the problems in the engineering company is confident that its products are advanced

enough to stay in demand. Plessey Semiconductors is another major company in the high technology field, manufacturing integrated circuits for the world market and for Plessey group companies.

Turnover has increased steadily in recent years, with more than 50 per cent of output exported, and overall employment is expected to rise slightly in the near future—although the company has pointed out that the nature of its manufacturing activities means that this would be fairly small in terms of job numbers.

Installations

Computer technology has also played a major part in the development of industry in Swindon, with a high proportion of administrative functions based on their use. Companies such as W. H. Smith, Nationwide Building Society and PHH International have major installations.

This had even led to a shortage of trained computer personnel in the town, according to the latest employment survey, and in the longer term it appears to be one of the healthiest employment sectors.

PHH, the U.S.-owned vehicle leasing group, which also has its All Star petrol card subsidiary in Swindon, has recently invested heavily in new computer equipment to increase its capacity in line with the growth in its activities. The basis of the company's operation is to offer the

management of vehicle fleets, petrol purchasing and most recently the relocation of executives through efficient and computerised systems which lower costs substantially. This is then passed on to customers who accept that a specialised company such as PHH can deal with these matters more cost-effectively than they can themselves.

American-owned companies have played a leading role in establishing Swindon as a centre for electronics, with such concerns as Emerson Electric, Spectrol Reliance, Vishay Resistor Products and Intel leading the way for others.

Other American concerns include Magnaflex, which makes non-destructive testing equipment, and is a subsidiary of the Peabody Corporation; Monsanto, whose Swindon operations are concerned with test instruments; and Union Carbide, which provides a protective coating service from Swindon.

While it is unlikely that high technology companies such as these will generate a great deal of new employment in future, since little of the work involved is labour-intensive, their presence has been important in establishing Swindon as a centre for related technical activities.

But perhaps more important, companies such as these have generally weathered the recession far better than those in the mechanical engineering sector and are likely to ensure steady employment for their workforces.

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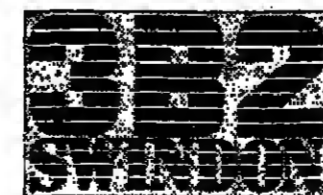
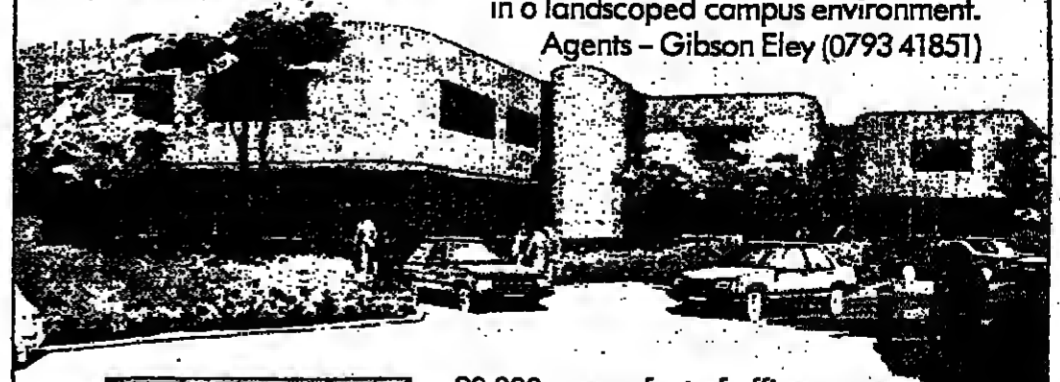


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Handwritten note in Arabic script: "مركز الأعمال"

Arab money behind star site project

THE PACE of industrial property development in Swindon has been rapid in recent years, mainly thanks to the council's policy of maintaining a stock of good quality land with which to attract incoming industry.

Future development, however, is likely to see the council in a secondary role behind private investors, whose confidence in the town has been clearly illustrated by the announcement of one of the largest industrial property projects in the south of the country.

This is St. Martin's Property's 80-acre development at Windmill Hill, south of the town and adjacent to the M4. It is now being marketed jointly by Knight Frank and Rutley and Bristol agents Hartnell Taylor and Cook, who are behind a publicity campaign which will be one of the most extensive seen recently.

The site is aimed primarily at large companies seeking a prestige location for their headquarters or for a substantial office space, since an option is offered of almost any mix of industrial, administrative or research work.

It is estimated that the final cost of construction work on the green-field site will amount to between \$40m and \$70m, depending on the content of more costly office space. It is expected that the final figure will be at the upper end of the range.

Headquarters

Swindon has already made a name for itself as a location for company headquarters in rural surroundings, with Burmah Oil the prime example, and a number of important electronics companies such as Intel following the pattern.

This has been followed by the major Artec West development at Bristol, which has attracted some notable companies but has been hit by the recession; the speed of land take-up has been slower than expected.

It is therefore encouraging for Swindon that St. Martin's, the UK property arm of the commercial office, which has undertaken on the site, should undertake the Windmill Hill project, which agents point out has the advantage of being closer to London and Heathrow airport.

The prestige aspect of the site is being encouraged by the restriction of factory and office space to no more than 30 per cent of the available land, encouraging companies which require American style expanses of landscape.

According to Mr David Hosegood of Hartnell Taylor & Cook, discussions are now taking place with three major companies, all UK subsidiaries of American concerns. Overall, the U.S. will be the prime marketing target, with the rest of Europe and Japan to follow.

It is expected that the average size of buildings, all of which will be purpose-built, will be more than 50,000 sq ft; few are likely to be less than 20,000 sq ft. While uniformity of building will not be sought, tight control on design will be exercised to ensure the style of development.

"We have in mind office rentals which will equate to 80 per cent less than prime property in the City of London," said Mr Hosegood, adding that the rates outlook in Swindon was good compared to Bristol.

Work on the Windmill Hill site is well advanced, with main access and an underpass to the Westlea Down housing area planned. Other roads on site will be built later, giving greater flexibility to companies on the location of their premises.

A help-out and the main site office, a renovated farmhouse, are near completion and a 17th century windmill is being purchased as a reminder of the site's history.

It is hoped, perhaps optimistically in the present economic climate, that the site will be fully developed within five years or less but the pace of occupation depends largely on early agreement by some leading company, which will serve to encourage others.

This project must be seen, however, in the context of around 1m sq ft of vacant industrial space at present available in Swindon and a considerable amount of planned development. It is estimated that around 300 acres of land are likely to be available for development in the near future, while a further 100 will be available later.

Major developments recently include the Westlea Down project of 71 acres, which will eventually house around 12m sq ft of factory, office and warehousing facilities. A current undertaking on the site, developed by E. H. Bradley, is the construction of a new centre for Renault-UK's parts and distribution activities. In addition a further 18,000 sq ft of offices and other buildings are being constructed.

Another large industrial site is the Euroway estate, funded by Abbey Property Fund, which has seen two important lettings earlier this year amounting to 85,000 sq ft of space. Agents Lavelley and Lovelady saw this

as a sign of improvement in a previously slow market for speculative buildings, which are now letting at around £250 a sq ft for units of around 4,000 sq ft and over.

A notable parcel of land which has come on the market recently is 28.5 acres at Wootton Bassett on the outskirts of Swindon, for which planning permission has been granted for light industrial use. Agents Farrant and Wightman point out that this "campus" site has the benefit of Swindon's growth while enjoying lower rates than other sites.

Premises of up to 90,000 sq ft are also available on the Groundwell, Techno and Hawksworth trading estates. Mr Robin Braithwaite of Farrant and Wightman reports a slow improvement in demand, with those making inquiries showing

more intent than previously in finding premises.

"Swindon is the last major area in reasonable distance of London where there is a wide choice of land and industrial property," he said, although it is acknowledged that there is a considerable surplus of industrial space to the west of London.

The Sun Alliance Group's Maple project at Kembray Park, being marketed by J. P. Sturge, has attracted considerable interest because of the highly flexible design and suitability for high-technology occupants.

The development, on 42 acres, offers the option on any combination of industrial, warehousing or office space, with areas ranging from nearly 57,000 sq ft to 84,000 sq ft. The first phase of this enterprise was 22

nursery units, mainly 2,330 sq ft in size.

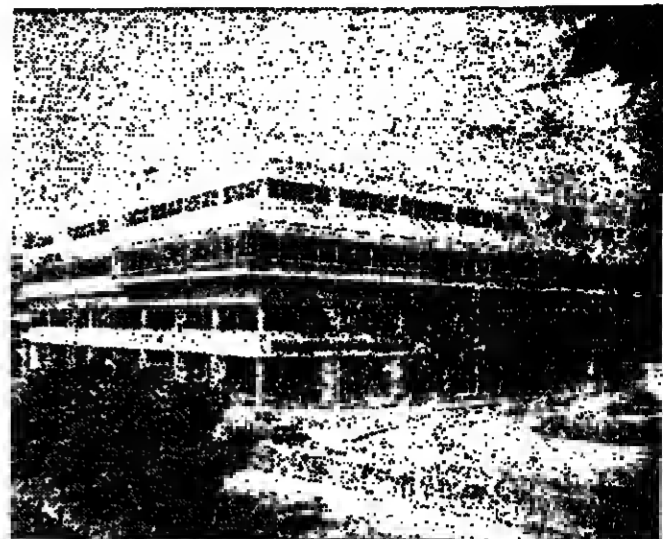
Despite an increasing supply of small units as a result of tax incentives, J. P. Sturge reports good demand at Kembray Park and is optimistic about the small firms sector in general.

In the construction sector the Chivers Group of companies has been prominent in the Swindon area, undertaking a range of work recently which has a current value of around £40m. It includes a factory for Triumph International, a new chemical plant at Raychem, work for Technic (now part of Marconi) and the construction of several units on the Groundwell estate for the Industrial and Commercial Finance company.

Perhaps the outstanding

building is that completed for the U.S. company Intel at a cost of around £3m. Chivers is at present working on a 22-unit industrial complex on the Old Town station site which will be known as the Central Trading Estate. The company says it also has a contract to construct a five-storey office block at Station Road on behalf of Alliance Assurance which will be worth around £1.5m.

Industrial rents in Swindon are expected to remain fairly stable in the near future, at least until more of the backlog of unoccupied space is taken, but the dual role of vacant industrial land (which will take an increasing amount of office) is expected to raise overall rent levels substantially in the longer term.



One of Britain's biggest building societies, the Nationwide, is among a number of leading UK concerns which have helped to establish Swindon as a favoured out-of-town location for office headquarters.

Ample office accommodation at low rents

AN INCREASING number of companies with headquarters in London are now looking for less expensive offices within a reasonable distance and Swindon is an increasingly attractive option which the local council has sought to capitalise.

According to a recent survey office costs per square foot in Swindon, including rates, are now around one-fifth of those in the City of London for comparable accommodation. Knight Frank and Rutley puts total City costs at around \$44 a square foot, compared with less than £10 in Swindon.

The most recent inquiry, inspired by this differential is the Civil Aviation Authority (CAA), which is faced with a substantial increase in its rental costs in London and is looking for premises of around 300,000 square feet out of London.

While it is not certain that the CAA will decide on a move, it is expected to make a decision soon on the best of three possible options—Milton Keynes, Northampton or Swindon. The first two of these are regarded as unlikely, however, because of the need for easy access to the West Drayton air traffic control centre and Heathrow and Gatwick airports.

A decision to move to Swindon would be a major coup for the town's development office, since more than 2,000 jobs are likely to be involved, although

the majority of staff would be relocated from London.

Nevertheless, it is pointed out that a gain in jobs is not seen only in the context of easing unemployment but in terms of benefit to the local economy through increased spending power. Replacement jobs would also tend to lead to employment of local people.

A move by the CAA to Swindon would also offset some of the local disappointment over the failure of Philips Business Systems to take up an option to build 200,000 sq ft of offices on the North Star site near the centre of the town.

Lean spell

According to a recent survey of offices along the "western corridor" by Knight Frank and Rutley, Swindon is going through a lean spell in development terms compared with Reading and Bristol. It points out that the only major building completed last year was the 48,000 sq ft Hobrook House in Station Road by Sun Alliance.

This year has seen the completion of 125, Swindon, a 50,000 sq ft Commercial Union development in Milford Street, which is being marketed by JP Sturge at a rental of £8.75 a sq ft with a single occupant in mind. This price is considerably above the £7.50 per sq ft norm for high quality premises in Swindon—and the response to the higher

price will be an important indicator for the future level of rents.

The report points out that another four offices schemes totalling just over 100,000 sq ft have been started so far this year, which have come out of planning consents for 464,000 sq ft at the start of the year. Over half of this total is in one scheme, the redevelopment by Taylor Woodrow and Hambro Life of the Old Bus Station.

The level of outstanding commitments means that the town centre has more or less used up its structure plan allocation," the report says. "The remaining development potential at just over 1m sq ft is clearly hanging over the policy of containment as a major threat."

It should be noted, however, that this total includes proposals to the north of the town centre, which is regarded as a natural expansion area for the development of offices.

KFR makes the point forcibly in its report that Swindon now has a dual market for offices—the town centre and the edge-of-town area which appeals to a different type of user but is none the less a popular option.

Advantages are said to include the ability to expand on site without difficulty, the possibility of combining a number of different uses in one complex that can be run cost-effectively

and the need for abundant and cheap parking space.

"Now that space in the town centre is running out the council is diverting attention to the promotion of green-field sites on the town's outskirts for campus style developments, offering any combination of office, manufacturing, storage and research uses," the report says.

"This is a timely exploitation of a newly emerging need among many companies. By using a flexible development control policy the council is stimulating this new type of development."

While it is accepted that the current level of this type of development is low, the programme as measured by outstanding planning consents and identified development opportunities is, at 1.6m sq ft, already larger than the town centre.

"This is a growing market and Swindon is in an excellent position to meet its needs," KFR says, adding that this is not a market for standard speculative schemes and "developers have to adopt a flexible approach to test the market."

The report concludes: "We expect that the town centre will still be able to cope with the demand for traditional speculative offices at least until the end of the decade. The dual market that has developed over the last few years is therefore likely

to continue, with the edge-of-town market overtaking the town centre in size and rate of growth."

Overall, the Swindon office market must also be seen in the context of other areas to the west of London. At present rents and rates are among the lowest, with only Bristol offering marginally cheaper office accommodation.

Differential

There is considerable speculation about whether this differential will endure for long, since the good location of Swindon scarcely warrants rents which are virtually half those being obtained in Slough and Windsor. But the scarcity factor must also be taken into account.

The present outlook in Swindon indicates that there will not be any serious shortage of office space for some time; this tends to hold rents down, agents point-out. On the other hand, one major letting such as 125 Swindon, could alter the rents position considerably.

Mr Simon Bymead, commercial partner at JP Sturge, points out that Swindon has not escaped the present national glut of office space but believes it is "only a temporary hiccup."

At present JP Sturge is holding instructions on 120,000 sq ft of office space locally, with a

further 35,000 sq ft under construction. "Swindon houses many resilient employers, mainly in the financial sector, who are continuing to make progress in difficult times," he said.

Recent lettings in Swindon include around half the space in Hobrook House to the National Environmental Research Council, while the remaining 22,000 sq ft is available at £7.50 a square foot.

Redlake Securities expect to complete work on the 35,000 sq ft Farnsbury House before the end of the year, for which a rental of £8.20 a square foot is being sought, and the same company has recently acquired a central site where work on another 35,000 sq ft building will begin soon.

The local company E. H. Bradley has won an appeal, permission to build a 48,000 sq ft office block on a 1.2-acre site in Station Road, where up to 80 parking spaces will be included. This is expected to be completed in 1984.

Commercial Union is also assembling land for two further phases on development in central Swindon, amounting to around 100,000 sq ft, for completion in the mid-1980s. This will mean that there are very few prime sites in the town's central area which are not spoken for, according to Mr Bymead.

In this age of hyper technology one reason for moving is as old as the mills.



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As for development in high technology communications, it is significant that

Swindon has been designated as a high priority area for British Telecom's new fibre optic data transmission systems.

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enlightened local authority which offers immediate housing to key personnel.

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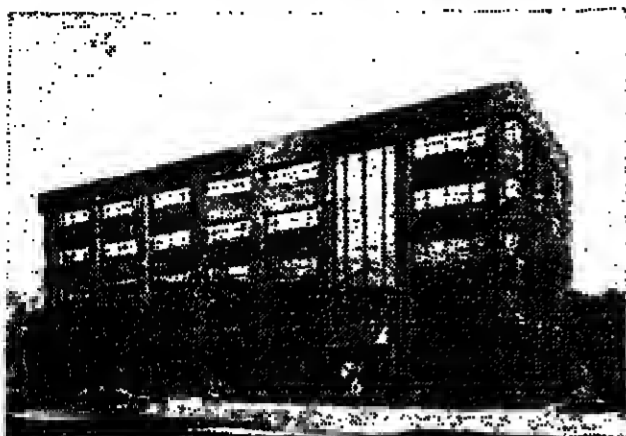


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CHIVERS
TEAM PROJECTS DIVISION

SWINDON can thank its location for much of its success in attracting new industry, particularly in high technology. It is easily accessible from London and yet enjoys the advantages of surrounding Wiltshire countryside.

Equally important, perhaps, is that it is not saddled with declining heavy industry save for the railway workshops, which are likely to be run down over the next few years. It has generally been able to offer a wide range of greenfield sites to new companies, giving them freedom to build factories to their own special requirements. This has been particularly important to American companies, which are used to the campus sites offered in the U.S., with easy road communications.

Swindon is one hour's motorway drive from Heathrow Airport, an increasingly important factor for companies wishing to set up international or European headquarters in the town—as an increasing number are doing. The HST has brought London closer in terms of train time, with Paddington 50 minutes away. Good secondary roads give easy access to much of the countryside. The new motorway link between Birmingham and Oxford will improve driving to the Midlands. In addition, many of the town's industrial estates can be

reached on dual carriageways. Few involve the need to go into the town itself, thus avoiding the urban traffic congestion.

One of the incentives offered by the town's development office is guaranteed housing for key workers when companies move into the area, an important facility considering the large proportion of high technology companies involved. It has not put undue pressure on local housing since numbers have been fairly small.

Housing needs in recent years have generally been met by major expansion to the west of Swindon in what is called the western development area but within a 20-mile travel to work area much of the burden has also been borne by surrounding villages.

Outlying areas

Swindon lacks a large executive residential area and as a result many of the purchasers in the higher price category have opted for outlying areas, where prices have risen substantially in the past few years. According to a recent survey, 17 per cent more houses were started in Wiltshire in 1981 than in the previous year; much of this is accounted for by high percentage increases in North Wiltshire, Kennet and West Wiltshire.

In the Borough of Thamesdown, however, there was a fall of nearly 8 per cent in starts over the same period. Also in contrast to the national trend, the number of private sector starts dropped as well and accounted for less of the total number, 65 per cent compared with 69 per cent in 1980.

The council said that the increase in starts in 1981 would begin to be reflected in completions later this year. It points out that by comparison with neighbouring districts Thamesdown had the highest rate of housing completions per 1,000 population.

"In 1981 the rate of housing completions in Thamesdown was nearly double that of Wiltshire, and more than twice the rate in the south-west as a whole. The rate of dwelling completion in the town was the third highest in the south-west region, after Poole and Wimbourne, both in Dorset.

Overall, the growth of population, now around 160,000, is unlikely to fall much short of projections, in spite of the slow-down in industrial development, since the town is an employment catchment area for a large central area of the county, taking in parts of Wiltshire, Oxfordshire, Berkshire and Gloucestershire.

There is evidence that the recession and its impact on em-

ployment in rural areas has increased the population flow into Swindon, with consequent impact on housing and unemployment. It is unlikely, however, that any notable housing shortages will occur and that the council will be able to continue its policy of providing guaranteed housing for key workers.

Although amenities in and around Swindon have improved recently, it is arguable that they have not kept up with the demand of incoming industry in many respects. There is no shortage of hotel space but few hotels are able to meet the full demands of the international business community.

The Blunsden House Hotel on the outskirts is the only four-star hotel within reach of the town. Discussions are taking place on the possible construction of a Holiday Inn hotel nearby, which would be welcomed by the business community.

While some hotels such as the Crest Hotel have been increased in size and their standards improved, much depends on the flow of business, which will result from Swindon's industrial expansion. Recession has led to caution on their part.

Outdoor recreation facilities include several golf courses within reach of the town, including those at Marlborough and Shrivvenham.

Wiltshire has a wide range of country houses open to the public, such as Littlecote House, a Tudor mansion where the country's largest Roman dig on private ground is now taking place. Other notable houses are Sheldon Manor near Chippenham, which is about 700 years old and is the oldest continuously occupied manor house in the county, and Bowood House at Corsham Court.

Large lake

Caste Country Park, near Swindon, has a large lake which provides opportunities for fishing, sailing and boating. Plans are now under way to build an ice rink in the town, which is expected to be a major attraction and bring visitors from a wide area.

Despite some pressure from environmental groups recently, a report by the School for Advanced Urban Studies at the University of Bristol says that the setting by the county council of a land budget for development over the next 10 years—based largely on existing commitments—appears to constrain Swindon's growth potential

unduly and unnecessarily. "If this potential is to be achieved, it requires that sufficient flexibility is maintained within the planning framework to allow growth beyond that necessary to meet natural population growth. So as to cover the needs of the investment and labour markets," it said.

Although there is clearly concern over the expansion of industry into the Wiltshire countryside, it is pointed out by developers that much of the industry involved is likely to be in buildings which are not environmentally damaging, since the land surrounding them will be fully landscaped.

Similarly, office developments out of the town will be mainly low buildings, set in considerable areas of land, and recent plans indicate that the proportion of land to buildings will increase rather than decrease in future.

The style of buildings in new developments, either private or council sponsored is likely to become even more tightly controlled, not in uniformity, but in terms of suitability for the particular location.

PROFILE: BLICK INTERNATIONAL

Expansion may bring 200 new jobs

BLICK International, which has established itself as the UK's leading supplier of office and factory time-recording equipment, has won the opportunity to become a major force as a supplier of telephone equipment.

The company, which is privately owned and employs around 450 people throughout the country, recently signed an agreement with the major French telecommunications company Telle-Alcatel which will allow it to move more firmly into the field of electronics manufacture.

Blick is primarily an importer of time recorders, mainly manufactured by Amano of Japan and Isgus of Germany, but also markets imported flexible working hour systems, digital clocks and intercom systems.

The company also re-exports a high proportion of its products, but lately has gone into the manufacturing of pocket paging systems, through the takeover

of Communications Associates. While the deal with Alcatel will initially involve only the marketing of PABX, keyphones and standard telephone instruments, a requirement for some local manufacture is there, since approval of the equipment by the Department of Industry could rest on such a commitment.

The two companies have therefore agreed that they will move towards the UK manufacture by Blick of the T16 keyphone system, which has eight exchange lines and 16 extensions.

"This plan is dependent on the Government giving us approvals at the earliest possible time, and if our plans are met we forecast creating in excess of 200 new jobs during the next 12 months or so," the company said.

Blick's decision to enter the telecommunications field was based largely on the changing nature of its traditional business, away from electro-

mechanical devices to pure electronics, although it intends to stay in the forefront with a new generation of imported time recorders.

In 1981 Blick started to look for suitable telecommunications equipment, bearing in mind the probable liberalisation of the UK market. A short-list of companies was drawn up but the size of Alcatel and its range of products made it the most attractive option. From Alcatel's point of view, Blick's national sales and servicing facilities, as well as its growing electronics capability.

Mr Robin Macdonald, the company's sales manager, said it was estimated that the company now held nearly 80 per cent of the UK time recorder market and expected to sell around 6,000 units this year. World sales amounted to around £2m a year, while the company turnover including all products comes to around £9m a year.

Time recorders

However, the UK market for time recorders is regarded as fairly limited; another reason for moving into the telecommunications field. It is reckoned that the British market for keyphones is now worth around £175m a year. Blick believes it can capture a substantial share of it with Alcatel equipment—despite competition from the world's major telecommunications companies—thanks to the competitive price and quality of the French products.

It is envisaged that Blick will sell the equipment in the UK for six to nine months before moving to limited assembly operations but it will be three to four years before total manufacture is achieved.

Blick will initially market Alcatel's small telephone exchanges as PAX, with the ultimate aim of obtaining approval for the equipment as PABX, SFC and digital. The company is now awaiting a place for approval tests, while the telephones are with British Telecom at present.

It is also planned to put forward for approval the Alcatel range of modems and multiplexers—electronic link systems—with as much UK manufacture as possible.

"Alcatel works in many European countries through partners and their record is such that they are now the second largest supplier in Europe with more than 800,000 lines of PABX installed and some 3m lines of public exchange in use," Blick said.

Blick is currently exporting to 26 countries, to existing agents and to those previously dealt with by International Times Recorders, which was acquired by the company in June this year.

Part of the company's success stems from its ability to persuade its foreign suppliers to design or adapt products particularly for the UK and other markets; its knowledge of the requirements of customers is based on long experience in marketing.

Its most modern time recorders, using microprocessor technology, are being supplied by J. Schlenker-Grusen of West Germany. The Datatime time recorder retains the accepted time card for the shop floor but also manages the element of high speed processing of time cards to produce payrolls.

"To workers it's just another clock but to management it's a machine that prints, calculates, sorts and accumulates hours,

eliminating human error and relieving the chore of processing time cards," the company said.

The Time on Line 100 machine is a fully on-line system which will control up to 64 remote clocking terminals. The central unit is said to be designed for easy programming, by the user if required, with emphasis on minimising "operator" time when obtaining information from it.

The central unit has its own built-in single line VDU and a thermal printer for obtaining print-outs. "Should a company have more than 300 staff and wish to have information quickly, then optional periphery such as external fast printer and VDU are available," Blick said.

The Star machine incorporates many of the features found on the other two systems but in addition will print on the individual time card the person's name, department number and personal number. It is said to save a great number of man-hours in payroll preparation.

Although the cost of this equipment is considerably higher than the old, electro-mechanical devices, savings are likely to offset this and their introduction marks another step in Blick's move towards electronics. At present the company is investing heavily in retraining of staff to deal with this equipment.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

BOARDROOM BALLADS

BULLS AND BEARS

When Wall Street bears repair to bed,
And wake up rampant bulls instead,
We know, though lesser men may cringe,
The Stock Exchange is on the binge.

And wide the happy breed of brokers,
Nature's quintessential jokers,
See some vision which transcends
The rest of homo sapiens.

Sentiment is what occasions
Stock Exchange hallucinations,
Adding dollars to the stocks
Of corporations on the rocks.

And oh, what economic japes
For punters on the ticker-tapes,
To have their periodic caper
On markets only made of paper!

If only all the human race
Inhabited this magic place,
Where productivity and work's
Simply for the social jerks.

Apparently, it little matters
That half the trading world's in tatters;
It's what the Wall Street gurus feel,
Which turns the economic wheel!

The future we were keen to find
Lay dormant in some broker's mind,
Until he ordered us to buy,
And sent the market through the sky.

But champagne and the brokers' laughter
Means eighteen heads the morning after,
And Wall Street with a pounding head
Is prone to change to "sell" instead.

Why can't we all enjoy their trips?
Let's pay the unemployed to chips!
Then everyone can join the beano
On the Stock Exchange casino!

Bertie Ramsbottom

Next week: Business Letters

Banking on better British managers

Nicholas Leslie examines the plans of the BIM's new chairman

THE British Institute of Management is "now coming out of a very difficult period, internally," according to its new chairman, Larry Tindale.

An institute member for 15 years, but better known as deputy chairman of Finance for Industry, the equity funding group which takes in the small firms financing specialist, Industrial and Commercial Finance Corporation, Tindale is in a particularly good position to know about the BIM's corporate state.

For, without his influence in recent years as chairman of its finance committee, there may not have been an institute—at least in its present form—for him to assume the leadership for the next two years.

Much has been done over the past few years to try and establish sounder financial footings for BIM, including tighter controls and decentralisation of the administrative headquarters.

This year it moved from the highly-priced Parker Street building in London to the more economic, though barren wastes of Corby in the Midlands (a somewhat unsettling experience, by some accounts). Computerisation continues apace to streamline administration and improve the quality of services, particularly educational, to members.

Externally, the BIM appears to have given up for the time being what seemed to be a battle with the CBI and the Institute of Directors to become an equal public force to representing Britain's corporate view to government and others. In part, this has been the result of a deliberately low-key policy adopted in particular by Tindale's predecessor, Sir Trevor Holdsworth, chairman of GKN.

At the same time the ambiguity of BIM's role is being resolved by the trend in its membership. Six years ago when it had 50,000 members it had a substantial corporate, rather than individual membership, giving rise to the perennial question of who BIM really represented.

Today, the membership is up to 73,000 and only 10,000 of those are corporate members. It is a trend which seems to please Tindale as a highly committed advocate of the science of good management and BIM's role in promoting that. And it must be

seen as encouraging, given that it has occurred during a period of rising unemployment in the executive ranks.

Not that all is yet right. Tindale—who acknowledges that much of what will be seen to be happening to the BIM in the next year should be credited to both Sir Trevor and to his predecessor, Leslie Tolley, chairman of the Renold engineering group—believes that the institute's present constitution is still not the most efficient and that changes may be necessary.

Six years ago the BIM changed its constitution from charitable status to a two-tier organisation, part of which dealing with education and similar work—remained a charity and the other part, which gives the institute free rein to represent and lobby members' views, has company status.

the position frequently of playing second fiddle with ideas and policies mirroring those of the confederation. More recently, Walter Goldsmith, director general of the Institute of Directors, has been extending an abrasive manner, knocking both union power and government economic thinking from a variety of public platforms.

Tindale, though, says he is "more interested in effectiveness than headlines"—which means a style more in line with Sir Trevor's.

But lest anyone feel this demonstrates a reluctance to step into the public arena, Tindale points out that—as in the late 1960s when he was general manager of ICFC and a hard sell of the institution was necessary—he is quite prepared and able to make himself heard if the issue demands it.

Tindale believes in general that the BIM's lobbying role can more effectively be achieved by private discussions with government ministers and civil servants. Next week, for example, the fourth meeting this year will take place with Sir Geoffrey Howe, the Chancellor. And, as a demonstration of the contacts built up in the Civil Service (not to mention membership, though conflicts of interest are always studiously avoided) Lord Croham, industrial advisor to the Bank of England and former Whitehall permanent secretary, who has just become chairman of the BIM's economic and social affairs committee.

Tindale's own contacts with Whitehall stand BIM in particularly good stead. Between 1972 and 1974 he was seconded to the then Department of Trade and Industry as director of industrial development, as a second permanent secretary. He took the job, he says, because it was attractive and "I was invited to do it." And he remains "proud of some of the mechanisms" he was involved in setting up, notably the Industrial Development Unit which advises Ministers and other business aspects of industrial aid.

While BIM's representational role is seen by Tindale as very important, it is clear that its educational activities are par-



Larry Tindale: "If managers fail it is frequently not their fault."

particularly dear to his heart. These include a wide range of courses held around the UK and designed to develop "better managers," says Tindale, who believes that managers do not really receive enough training in order to adapt, for example, to the consequences of the computer revolution. This element of BIM's activities has been beefed up with the appointment of a new director of education and training.

Tindale also wants to see managers involved in generating a better understanding of industry among the young, for example, by going into schools and other teaching establishments to put their case.

Which means Tindale sees no scope for the BIM as a negotiating body, despite the growing union membership of managers. "A manager who cannot negotiate his own position is not a good manager," he maintains rather provocatively—though he acknowledges that "in some large companies managers are dealt with as a group."

Tindale maintains that Britain's managers are extremely good on the whole and that if it is felt that they often fail it is frequently not their fault.

At this point, he starts on one of his hobbyhorses—that the financial demands which the City frequently makes are unrealistic. "If they (managers) have got to get a 20 per cent return on capital it is not fair to blame those managers who take the necessary steps to achieve this," he says. In other words, you cannot expect to have large short-term gains and long-term growth. "I do get tired when people who are economic theorists and who have never managed anything start lambasting those who do what is required by the system," he says.

Tindale best sums up his philosophy on the manager's role in a reference to his activities with the Society for the Protection of Ancient Buildings (of which he is, not surprisingly, honorary treasurer). Stressing the "incredible amount of work" the society does to preserve old buildings, he paraphrases the belief of William Morris, the 19th century designer and pioneer socialist, and founder of the society, that "we should hand on to our successors that which we have inherited."

"I believe that strongly about managers too," says Tindale.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Solicitor and compensation

Recently I sued a solicitor for neglect which caused me to lose my business. My accountant thought I should get upwards of £60,000. The case was brought as a joint effort with a second plaintiff. I was legally aided, but was dissatisfied with what was offered me. My legal aid fund was discharged and my solicitors obtained a court order declaring that they ceased to be my solicitors. I continued to fight on my own and eventually accepted an offer of £35,000. My former solicitors then claimed £15,000 in respect of the second plaintiff's costs and mine until the discharge of my Civil Aid Certificate. I was in touch with the Law Society on the matter but got no satisfaction. How can so much of the settlement figure be taken when I derived no benefit from their work? What can I do?

Even after the discharge of your Civil Aid Certificate, the Law Society has a charge on any moneys recovered by you in the action and can thus

claim its proper costs for the period when you were legally aided. This charge is imposed by statute and cannot be waived. Your only effective course is to dispute the amount which is sought: i.e. to seek a taxation of your solicitor's costs.

Schedule D or capital gains

I am thinking of investing in a managed speculative account in commodity futures. If I should make a profit will it be taxed as Schedule D or as capital gains? I have asked two different tax inspectors at my local tax office: one said Schedule D, the other said capital gains.

We really have nothing to add to what the two tax inspectors said. It is impossible to forecast the attitude which will be taken by the particular man or woman who looks at your tax returns in due course. If you are eventually assessed to income tax under case VI of Schedule D (or case I) and you wish to appeal, it is unlikely that you will succeed without professional guidance. Whether the cost of such help would be worthwhile depends upon the

amount of tax at stake, of course.

UK company residence

Could you please advise whether the facts below will determine conclusively that company S is a non-UK employer for the purpose of a claim under S.21 (b) FA 1974 ie a non-UK domiciled employee in S to claim earnings to be assessed as foreign emoluments.

- 1) S is a UK registered company
- 2) Its holding company, H, is incorporated in The Netherlands
- 3) The entire issued share capital (ordinary shares) of S is held by H
- 4) Three Dutch directors sit on the board of S, one of which is the Vice President of H.

No: the likelihood is that company S is resident in the UK. It is, of course, impossible for us to make more than an intelligent guess, on the basis of so little data.

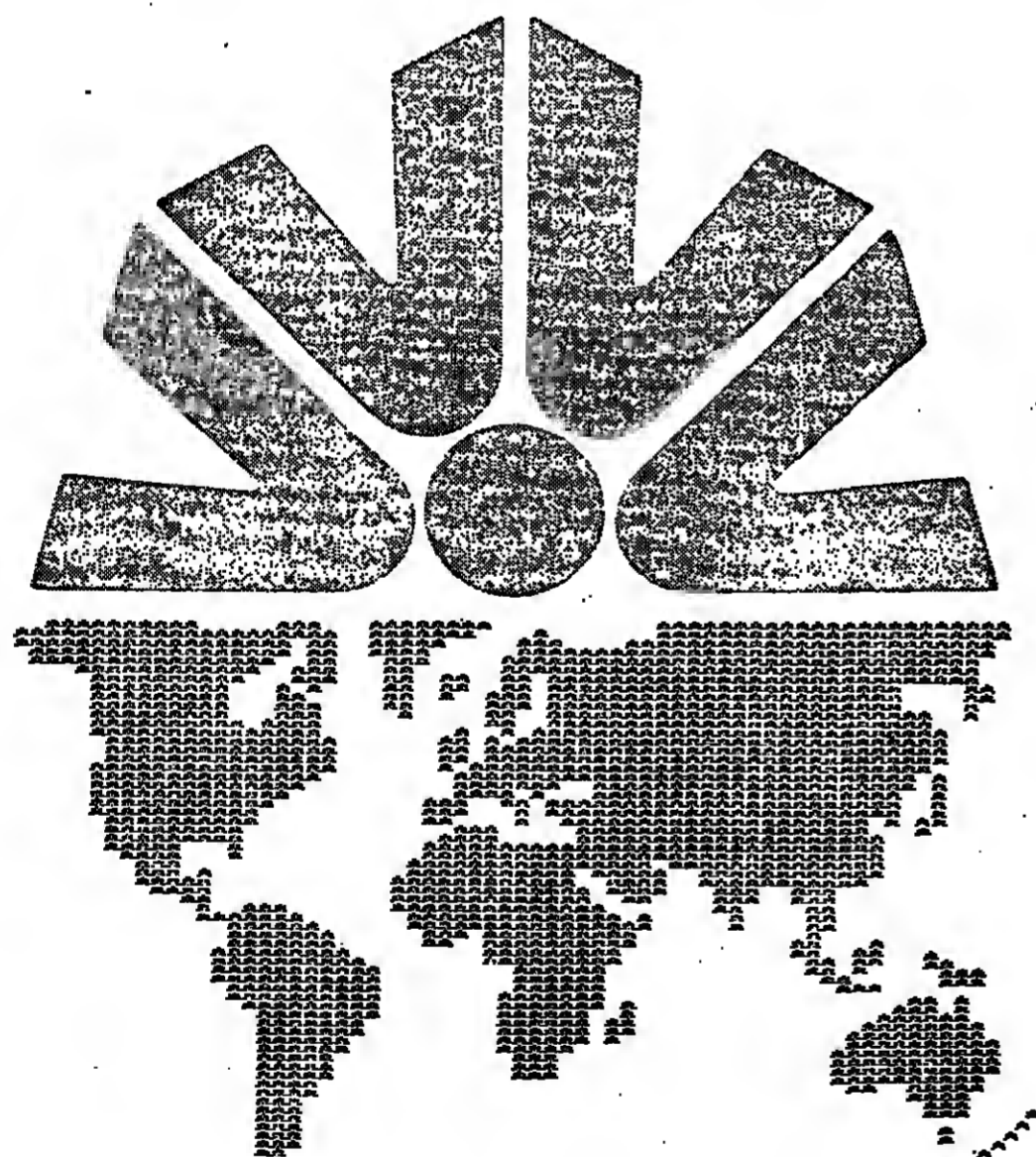
No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Bad odour

Though financial pressures were an element in that decision, there was no doubt that BIM was stung into action by a variety of other pressures. Unions were beginning to attract considerable new membership among managers' ranks; managers were in rather bad odour with the general public and neither the CBI nor the Institute of Directors was showing itself to be a particularly forceful voice for the corporate sector.

Thus, for two years under the chairmanship of Sir Derek Ezra, chairman of the National Coal Board, a much higher, though carefully studied profile was adopted. Two national conventions—a new innovation—were held. They attracted a mixed reception, even among BIM membership and have since been put into cold storage.

Leslie Tolley looked as though he was going to add further muscle to BIM's public persona, starting his two year stint in 1978 with a bit of union bashing and exhorting managers to take more initiative in the industrial scheme of things. The climate changed, though, and the CBI, under the late Sir John Methven, began to reassess considerable stature, leaving BIM again in



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Sean Curran, General Manager, Standard Telephones and Cables, Northern Ireland.



Standard Telephones and Cables (STC) have been in Northern Ireland since 1962.

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Sean Curran himself is loud in praise of his people: "Flexibility is, without doubt, the single most important attribute of our workforce", says Mr. Curran.

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Phone John Hughes at Belfast (0232) 233233. Or write to him at the Industrial Development Board for Northern Ireland, IDB House, 64 Chichester Street, Belfast BT1 4JX. Telex: 747025.

A visit will convince you.



What you're looking at is no Sea of Tranquillity.

Neither is it a scene from the imagination of some science-fiction artist (although we commissioned one of Britain's finest sci-fi artists to paint it).

It is what you would actually see if the waters of the North Sea suddenly became invisible.

Silhouetted against a huge moon are the four giant production platforms that form the core of the Brent oilfield.

The Brent Field, operated by Shell, lies far out to sea, roughly halfway between Scotland and Norway, and about 100 miles northeast of Shetland.

The painting shows (from left) the production platforms Delta, Charlie, Bravo and Alpha, each towering well over 700 feet above the seabed in its steel, or concrete, socks.

They are built to withstand one-hundred foot waves and winds gusting up to 160 mph while continuing to collect oil and gas, 24 hours a day, from rock depths lying some two miles beneath the sea-floor.

Floating in the far distance (bottom right) is the drilling rig Stadtrill, prospecting for oil in another part of the Brent Field.

And riding the invisible seas with contemptuous ease (top right) is the 23,000 ton semi-submersible, pipe-laying barge Semac I.

FLAGS: a major new gas-gathering scheme in the North Sea.

We used Semac I to lay one of the world's longest, largest, deepest undersea pipelines. (The painting shows the pipe being fed over the stern of the barge and trailing down to the seabed.)

The pipeline is the backbone of a major new North Sea gas-gathering scheme known to the oil industry as FLAGS: Far North Liquids & Associated Gas System.

It will enable us to bring ashore the substantial and hitherto untapped gas reserves of Brent and other oilfields in the northern North Sea.

The FLAGS pipeline, 36" across and made of steel coated with concrete, runs 280 miles along the seabed between the Brent Field and St. Fergus in Scotland.

Laying it was an astonishing feat.

The North Sea is no millpond. It is quite the most hostile stretch of water the oil and gas industry has ever tackled.

Much of the pipeline was laid in appalling weather: force 10 gales, thick fog rolling in the troughs between giant waves, zero visibility.

The FLAGS system will before long be supplying some 12% of Britain's gas needs. (The Brent Field already supplies about an eighth of Britain's oil.)

But neither statistics nor adjectives (nor the vastness of our operating costs) can ever give you a real sense of the scale and scope of our work in the North Sea.

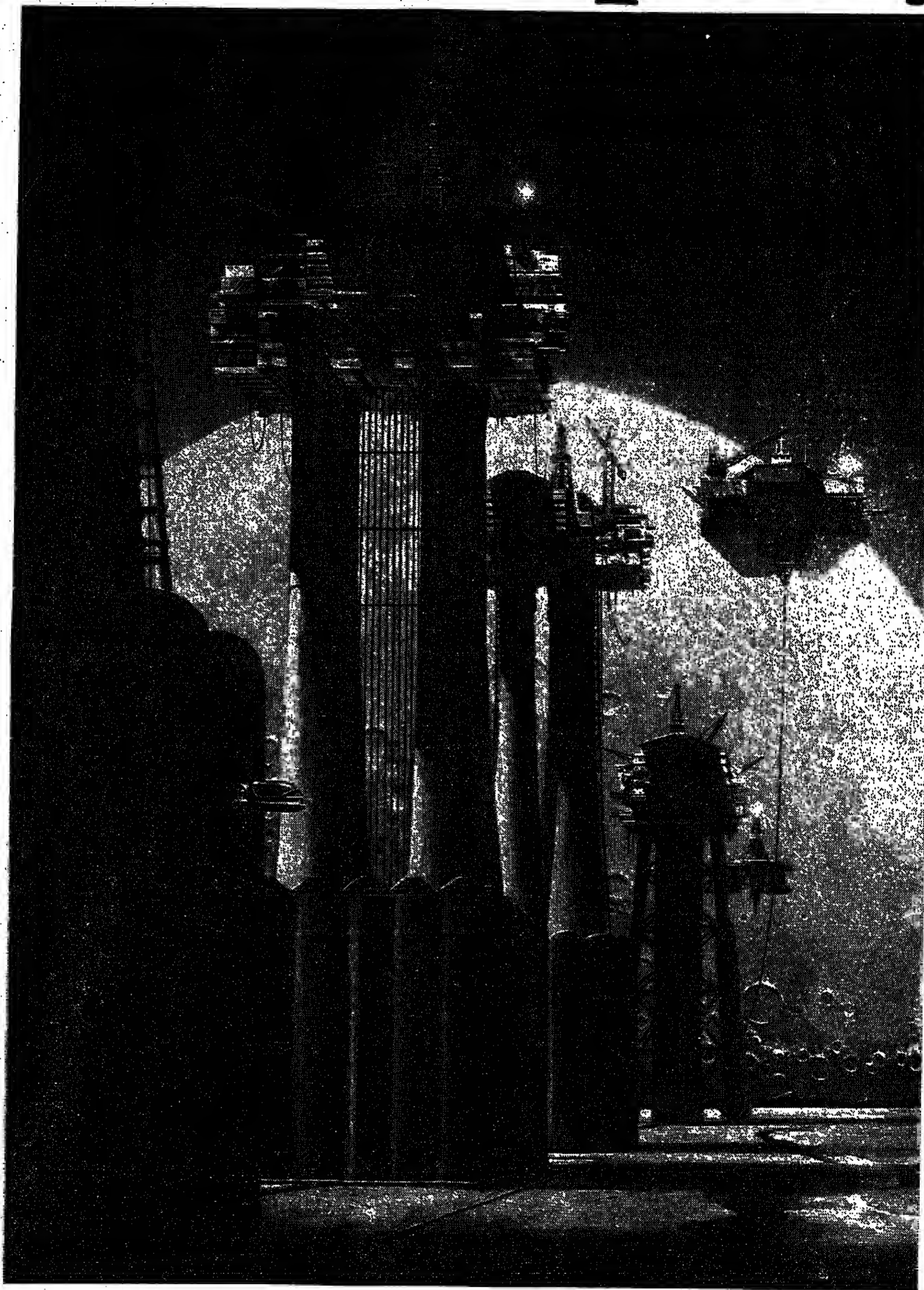
The Brent Field: an offshore oil town.

The Brent Field, for instance, does not simply consist of the four great platforms attended by a pipe-laying barge and a drilling rig or two.

Several other giant structures (like the floating oil-storage and-loading facility, Spar) are nearby. And platforms may be attended by 'flotels' (floating hotels) and semi-submersible diving barges.

Tugs, tankers and supply boats ply the surface, the latter bringing in everything from drill-pipe, cement for well-casing and drilling mud, to food and fuel.

Under the surface, mini-subs and diving-bells are at work. While in the skies, helicopters constantly come and go,



bringing in vital tools and flying drilling crews and other technicians in and out.

Our platforms and rigs are crewed by over 3,000 men, who manage to tuck away well over 100 tons of food each week.

Power to keep the big platforms working is generated by turbines similar to those which fly large jet aircraft.

Computer banks continuously receive and process information about subsea oilwells and the many working functions of each platform, key data being relayed simultaneously to the platforms and Shell headquarters in Aberdeen.

The cost of these operations is so immense that it beggars description.

One way of putting it is that Shell's expenditure in the North Sea has amounted to more than half a million pounds per day, every day for the last eighteen years.

When we add up our chequebook stubs, our total investment to date works out at more than £4,000 million in 1981 money. Those figures double when you include the sums invested by us on behalf of our partners.

A conquest to rival the moon-landings.

Although there are projects which cost more, in terms of sheer technological innovation there is no other achievement on earth to match the conquest of the North Sea.

We have pushed back the limits of technology so far that the only feat which invites comparison is otherworldly: the placing of the first men on the moon by NASA's Apollo space programme.

As a matter of fact, the computer-room that monitors our operations has a great deal in common with that famous control-room in Houston.

And Shell is proud to be in the forefront of an endeavour which only twenty years ago, would have been dismissed as pure science-fiction.



You can be sure of Shell

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Broadcasting
in a new era

THE GOVERNMENT'S determination to press ahead with a cable television system, offering 30 or more channels, can be relied on to excite widespread suspicion among the British public. Wiring up Britain may not deliver the same degree of distribution to the average household as conversion to North Sea gas, but it involves change. The threat posed by cable to existing methods of broadcasting has already exposed an atavistic nerve in some of the more articulate sections of the population.

Yet the advent of wideband cable systems which provide channels capable of two-way communication opens up far-reaching possibilities. As well as entertainment, cable could bring new ways of working, better facilities for education and training, direct buying and selling from the home, together with scope for rapid communication between businesses, financial institutions, educational establishments and libraries.

It was not part of the Hunt Committee's remit to look at the provision of services to businesses and consumers. But it has sensibly recognised that decisions about cable should be taken with this "second-stage" development in mind, so that the award of operating franchises, for example, reflects the need to encourage the development of those services.

Flexibility
On entertainment the committee has sought to strike a balance between the innovative potential of cable television and the need to preserve those aspects of the British broadcasting tradition that are widely admired. While some will argue that it has allowed too much latitude to cable, we believe that flexibility with appropriate safeguards is the right approach.

Broadcasters in the past have had to provide a range and balance of programmes and to observe fairly stringent rules of taste. These and other regulatory requirements were justified in part by the restriction on the number of programmes that could be transmitted. Both Britain and the British media are full of people who know what is best (and even more who know what is worst) for everyone else. So the result has been high standards of probity, prudence and, to a large degree, quality.

Cable, however, has almost un-

limited capacity to deliver programmes. While Hunt chooses to regard cable as a supplement to public service broadcasting rather than a competitor, the report nonetheless accepts that an entirely different approach to regulation is called for in dealing with a multiplicity of cable systems.

In consequence cable is not to be subject to the requirements of range and balance, and the committee is relatively liberal on matters of taste.

While programmes will be subject to the same obligations as the BBC and the IBA not to offend good taste and decency, it does not seek to ban soft pornography since it is technologically feasible for the subscriber electronically to lock the relevant channel.

Justified

Responsibility for programme standards will rest with the cable operator who will bid for a monopoly franchise and who will be granted a franchise on the basis of promises to offer diversity and local sensitivity. Oversight over the whole system will be exercised by a new cable authority—a much better choice than the IBA—which would award the franchises, monitor performance and wield sanctions.

One area where public concern about cable has certainly been justified, concerns the crucial question of what happens to public service broadcasting. Hunt rightly insists that new multi-channel cable systems should be required to carry all existing and future BBC and independent television and radio services. Yet it is far from clear that cable will not subtly undermine the BBC's claim to a licence fee.

Public service broadcasters can, however, be grateful that Hunt proposes a ban on cable television acquiring exclusive rights to big sporting events. The BBC's case for a ban on "pay-per-view" whereby subscribers pay for individual programmes, has also been accepted.

Banning pay-per-view does, however, reduce the attractions for potential investors in cable, who will anyway be taking a big leap into the unknown. It remains to be seen whether this new-style Tory dirigisme, which involves enthusiastically picking winners and then inviting the private sector to ride them in, will produce the results the Government would like to see.

The pessimism of
civil servants

"THE FIRST thing to realise about civil servants is that few, if any, believe that the country can be saved. Thus Sir John Hoskyns in a lecture to the Institute for Fiscal Studies last night. Sir John advised Mrs Thatcher in government for three years before returning to the private sector; as an outsider he has given his views of Westminster and Whitehall.

Briefly, his thesis is this. Successive British governments, certainly since Harold Wilson's in 1964, have recognised that the country was approaching some sort of turning point when the relative economic decline might become absolute. All of them, however, refused to ask themselves the question: Why do governments fail? One of the answers, Sir John argues, is that they have tried to move directly towards recovery without first achieving stability.

No objectives

Because ministers did not set clear objectives or a strategy to achieve them, and were often lacking in leadership, it is not surprising that officials did no better. Besides, he asks, how can the same officials give wholehearted commitment to a Thatcher government today if they expect a Benn government tomorrow? The result is that total commitment is withheld.

So much for the analysis. Sir John's prescription need not be read as politically partisan. They are part of the recipe for a more efficient machinery of government which would allow objectives to be defined and pursued.

He proposes that political parties should be encouraged to maintain their own shadow team of officials. These officials would be paid at market rates and might take contracts of up to seven years. The funds would come from the political parties which would be financed by the taxpayer. (That change in the way of funding the parties would be a major reform in itself.) When the party was in government, major posts in government would be replaced by senior civil servants—possibly

as many as 10 or 20 per Department, even including an "outsider" as Permanent Under-Secretary. They might also serve a reconstructed Cabinet Office, integrating the whole range of government strategy and incorporating the Central Policy Review Staff, or Think Tank.

To the existing Civil Service such proposals will no doubt seem radical, as indeed they are. They go way beyond the idea of putting in a few political advisers. It may also be argued that the merit of the civil service is that it provides continuity. Yet it is precisely the point of Sir John's lecture that continuity has become practically synonymous with acceptance of relative failure. Civil servants, he says, "have seen politicians trying to do the wrong thing and succeeding, or the right thing and failing. As each government retired exhausted after another few years of fire fighting, the service had somehow to continue with the next. It has done so, I believe, by lowering its metabolic rate, in order to conserve its energy; and by persuading itself that the problem was insoluble, in order to conserve its self-respect."

Close to reality

The Civil Service cannot reform itself. The impetus will have to come from ministers and ministers have not always been resolute about what they want or how to achieve it. It is also true that Sir John's proposals for change are subject to a large number of variations. A bigger and more politically motivated Cabinet Office, for example, might be only the first move and could be introduced without undue pain. Yet we hope that the whole range of his ideas will be widely discussed. Anyone who reads his analysis of bow Westminster and Sir Whitehall work and who has some experience of the process will recognise that it is uncomfortably close to reality. The record of relative failure over the years is indisputable and the Civil Service should not escape scrutiny for its role in setting the mood.

Arthur Sandles analyses the impact of the Hunt report and (below) Chris Dunkley, our TV critic, gives a personal assessment.

Cable: sleepless nights
for the BBC and ITV

LORD HUNT has set the cable cat among the television pigeons. Some of the worst fears of the broadcasters have been realised.

In recommending unlimited cable channels, partly financed by advertising, subject only to short-length supervision, free of limits on the levels of imported materials and able to show soft-porn, Lord Hunt has driven a huge hole in the UK's traditional concepts of broadcasting.

As one Independent Broadcasting Authority executive graphically put it last night: "He has sent an Excoet into the sides of the BBC and ITV."

Until now British broadcasting has been based on Reithian theories. Lord Reith was the director-general of the BBC in its formative years, when broadcasting developed along the lines that all its services should be available to the whole population of Britain, and that the services should provide a balanced diet — "to inform, educate and entertain".

Even the ITV system was created on this basis. The Independent Broadcasting Authority keeps a headmasterly eye on the details of commercial television programming.

Lord Reith must now be turning in his grave. The worried reaction of both BBC and ITV to the report is to a considerable extent the result of a fear that they face the end of their monopoly if the Government accepts the Hunt report's recommendations.

Rather than being accused of self-interest, the BBC and ITV would like to be seen as organisations defending the British public against a gradual degradation of UK television to U.S. levels.

It is no secret that the IBA would like to see the post-Hunt debate last a year rather than the two months which seem likely before a Government decision. The IBA also argues the introduction of cable should be years, or even decades, away

rather than months. Rejecting accusations of being corporate Luddites, the BBC and IBA mutter complaints of a Government stampeding into a broadcasting future to create jobs and launch a technological revolution.

However, public support for their case is likely to stem from concern about the departure from Reithian concepts. Broadcasting has previously been seen by Governments of all colours as too important a medium to be left to the market-place. According to this theory, the British viewer, wherever he lives and whatever his demands, should have equal opportunity to see international news, the

The main planks of the BBC's case against an early and deep involvement in cable television in Britain, particularly on a de-regulated basis, have been that satellite television could do the job (the BBC has plans for two such channels in the mid-1980s), that nearly half the nation might never have cable TV, that cable television should not be allowed "to disrupt the entertainment patterns of network television in order to finance a limited spread of cable," and that cable might steal the major national events.

In some fields the BBC's worst fears have been realised. However, close reading of the Hunt report suggests that the

It was clear last night that the IBA and the commercial companies are much more alarmed by Hunt's proposals than the BBC. The report's conclusions that cable TV should be partly financed by advertising is a complete rejection of the ITV argument.

An ITV burdened with the introduction of the Fourth Channel this autumn, the birth of breakfast television and rivalry from two planned BBC direct satellite broadcasting channels, is in no mood for taking on a challenge from someone eager to poach both advertisers and viewers.

Hunt argues that there will be plenty of advertising to go round. "We find it difficult to believe that advertising revenue is fixed at its present level in real terms and that advertising on cable would necessarily mean the same cake size being sliced more thinly."

Many ITV companies, however, are in deep water already trying to sell advertising space on the Fourth Channel.

The Achilles heel of the ITV companies might prove to be the large urban areas. If cable television is sufficiently attractive to achieve a reasonable audience it might allow advertisers to be highly specific—in appealing to a small but densely populated catchment area around a restaurant or hypermarket, for example, which ITV cannot pinpoint. The Tesco and Ford of this world might easily be tempted into selective local advertising for specific outlets at the partial expense of national promotions on the blunderbus basis.

If that were the case, however, local newspapers, magazines and radio stations might also need a different approach to their advertising revenues.

The IBA itself is, for the moment at least, less concerned with the advertising difficulties which would face commercial companies than the departure

The IBA and BBC say they may have to lower standards if their audiences are eroded

latest variety show, Starsky and Hutch, and the Sky at Night.

But Lord Hunt argues: "Cable television is all about widening the viewer's choice. It should be innovative, experimental and sensitive to local feeling. It cannot be run as though it was another branch of public service broadcasting providing a balanced service for the country as a whole."

The BBC's director-general, Mr Alastair Milne, says the corporation is "concerned for the audience not for ourselves." He argues for a strong regulatory body, "not because we are mawkish lurking behind our monastery walls as the tide of the Renaissance washes up to them" but because entertainment led cable, if that's what emerges, must take away from people what they now enjoy."

corporation might be rather better off than ITV. A cable system supported by advertising and inhibited from national, networked, programming might prove weak opposition to the BBC's own national satellite services.

On two points the BBC has won major concessions from Hunt: the recommendation that cable companies must carry available BBC and ITV programmes as a condition of operating, and that cable should not be allowed exclusively on major sporting events like the Cup Final or the Grand National.

The "must carry" clause means that a cable operator wiring up a block of flats or housing estate cannot lock out the BBC and ITV in order to increase advertising revenues.

'A fiendishly clever web of British compromise'

TO THOSE of us standing outside the massed ranks of axe grinders—be they BBC and ITV moguls on one side or cable companies and independent programme makers on the other—initial reactions to the Hunt report must surely be that it is a fiendishly clever web of British compromise. At first glance it appears to square every circle and somehow find a way round every difficulty.

The BBC's terrified vision of massed cables pumping nothing but edmass pap through an underground system to glass-eyed viewers thus undermining Britain's 36-year-old public television

system is met by Hunt's "must carry" rule which would require all cable operators to supply existing BBC and ITV channels before putting anything else on offer.

The fear that the cable men might bid up the price of major sporting occasions and other special events and deprive BBC, ITV and all non-cabled viewers of the Cup Final or the Derby by charging their customers special premium prices for such programmes is answered by prohibiting "pay-per-view" systems and by enforcing formal regulations protecting certain events (Test Matches, the Boat Race etc) via the

Home Office. In response to anxieties about the effects of de-restricted advertising on ITV's existing commercial arrangements Hunt announces that cable advertising should be subject to ITV's existing standards. On the other hand the report suggests that the number of minutes per hour of advertising allowed on cable should NOT be subject to the same rules.

However, it is over the fundamental question of regulation as a whole that the compromises hover thickest. To avoid fears of an outright free-for-all Hunt recommends

a new licensing body but (and "but" seems to be the most important word in the report) having got a licence, a cable operator would merely come under the "oversight" of the authority, not under its direct regulation. Controls would be post and not pre-transmission.

Those of us who called for a truly free system of programming, moving television nearer to print in terms of freedom of expression, will be heartened to find Hunt declaring that there should be no requirements on range and balance in cable services, but—that word again—disappointed to discover that

content should be subject to existing BBC and ITV rules on taste and decency.

Even when it suggests that an "electronically lockable" channel providing a parental key system to protect children could be used to supply adult programming at any time of the day, the report adds a but: any films shown would have to have certificates from the British Board of Film Censors. Such a subtle set of compromises should go far towards pacifying the voices raised in anger at the prospect of cable television among established broadcasting interests.

The question that the report

inspires most forcefully, however, is whether cable operators will come forward in any numbers to bid for franchises under these rules, however finely the compromises are framed.

When they read recommendation 33 (a) which states that franchise decisions should take account of "the desirability of the calling of less commercially attractive areas along with those with the best prospects" will they see that as a way of saying "You can have Glasgow provided you can the Hebrides too"—and will anyone ever agree to such a Box and Cox arrangement?

Men & Matters

City's salute

Yesterday's Falklands victory parade in the City of London brought another outburst of hostility from Spain and Latin America.

October 12 just happened to be the 490th anniversary of the discovery of the New World by Christopher Columbus, and the Hispanic countries were celebrating their brotherhood in a national holiday.

Argentina revived the holiday specially to show its appreciation of support from Spanish-speaking nations during the Falklands conflict. And for the City to stage its celebrations of British victory on the same day was, according to one Spanish newspaper, an "Offensive insult." Another proclaimed: "The English have invented anti-Spanishness."

Several protests are said to have been made to the British Government. Spain's complaint was informally delivered to the Conservative party conference. Margaret Thatcher seems to have been unmoved. She gave her further blessing to the event yesterday and, facing a £570m bill for the South Atlantic operation, added a note of thanks to the City for paying for the celebrations.

Lord Mayor Sir Christopher Leaver will say nothing about the cost of the event—including lunch for 1,500 at the Guildhall—except that ratepayers will not be affected. The money is coming from City's Cash—a fund gradually built up since medieval times, with the income from the City's ancient common lands and other sources.

The fund is used "to maintain the mayoralty" and for such diverse purposes as the upkeep of City schools, the Guildhall School of Music and Drama, Smithfield and Billingsgate markets, and places like Epping Forest and Chingford golf course.

None of these is likely to go short because of the celebra-

tions. The fund's income this year will be about £6m. Pleasant, all the same, to note that the advertising support for the official programme included Russia's Lada cars.

Iron man

SIR Monty Finniston, aged 70, has an unquenchable enthusiasm for technology which is about to be harnessed anew. Television's Channel 4 which starts broadcasting in three weeks' time is confident he will be one of its blockbusters for the winter viewing season.

He will be chairing a monthly series Report to the Nation on Sunday evenings. Each programme will run for nearly two hours and will take apart—and put together again—one of Britain's state-owned or state-funded industries.

The first series will dissect British Rail, the Arts Council, the Post Office, British Airways and the Manpower Services Commission.

Video Arts Television, the company making the series is already showing a pilot programme around the nationalised industries' board-rooms and is talking about moving on, in a series of subjects, such as the National Coal Board, the Electricity Council, and—bears ground for Finniston—dear old British Steel itself.



"Anything in there about a separate channel for Party Political Broadcasts?"

I am sorry to shatter their illusion. But Monty Finniston first appeared on television 35 years ago. He was interviewed by Wilfred Pickles.

No show

When a country stages a major motor show it has become a tradition that the car companies based there turn out the topmost brass to mingle with the Press and perhaps stage some formal presentations.

Two years ago at the Birmingham International Motor Show, Sir Michael Edwards did his bit for BL and Britain by arriving in a brand new Metro, making the rounds, talking to TV cameras and even conducting a brass band.

Press in any way. "In any case, a motor show is no place for an old-aged pensioner," said one BL executive yesterday, rather unkindly for Blide is only 67.

Even Ray Horrocks, who next month has his role as chairman of BL Cars beefed up after Edwards' departure, won't be in attendance.

BL will rely on the second eleven and will field Harold Morris, chairman of Austin Rover, and John Egan, chairman of the first to agree, but they would be the first to agree, not names yet to configure with.

Party game?

Observers could be forgiven for thinking that Edward Heath is turning a slight shade of revolutionary pink as his distaste for the policies of Mrs Thatcher shows ever more clearly.

Yesterday, however, he was found supporting a green revolution. It does not mean that Ted has become the Perry Thrower of Westminster. Rather he is involved in a novel way of helping Third World nations. The Green Revolution Game was launched with his blessing at the London School of Hygiene and Tropical Medicine.

The game is not a Monopoly of the rice paddies although it does involve the use of paper rupees. It is played around the day-long simulation of life as a farmer in India.

The aim is "to bring alive what life is like for a small farmer belonging to a dynamic society in a developing country."

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Observer

EAST EUROPEAN TRADE UNIONS

The real lessons of Solidarity

By David Buchan, East Europe Correspondent

SOLIDARITY, THE only independent trade union ever to win legal recognition in the eastern bloc, formally died last Friday. But, like Lazarus, it will not stay down. The Gdansk shipyard workers who created Solidarity two years ago have now gone on strike demanding that General Wojciech Jaruzelski give them back their union. Whatever the fate of the Gdansk strikers, their action is a startling reminder of the accelerating cycle of worker discontent in the communist bloc and the evident failure of official, Soviet-style, trade unions to defend it.

Labour unrest has been a major, arguably the major, catalyst in past upheavals in the eastern bloc. Not only in Poland in 1956, 1970 and 1980-82, but also in East Germany in 1953, Czechoslovakia in 1968, Romania in 1977. Even in the Soviet Union there have been sporadic illegal strikes, notably those in 1962 and 1972 which were suppressed by force, and an ill-starred attempt in 1978 to set up an independent union. It is fair to assume this pattern will recur, unless and until the eastern bloc digests the real lessons from Solidarity.

What, then, have Poland's neighbours learnt from Solidarity's two year life? Reactions vary from the Soviet Union to relatively liberal Hungary. All eastern bloc governments—except Hungary—have openly bought General Jaruzelski's line that Solidarity turned into a subversive organisation and that the rot set in early, as a "naive" workers' movement was "hijacked" by anti-socialist intellectuals such as the KOR group now facing treason charges in Poland.

No eastern bloc government—not even Hungary—is prepared to let a trade union independent of Communist Party control spring up on its soil. The Solidarity saga has reinforced the general determination to stamp on independent unions at birth.

However, the more reflective of eastern bloc officials acknowledge that the Polish upheavals points up the danger of leaders of official unions slipping out of daily touch with their rank and file. Even President Brezhnev tacitly drew this lesson when, after dismissing the lacklustre Mr Alexei Shihyev as head of the Soviet



Shipyard workers on strike in Gdansk this week.

trade unions, he told delegates at the unions congress in March they should "spend more time in the midst of people and less time on paper work." But very few in the eastern bloc would go one step further and agree with Mr Sandor Gaspar, the Hungarian union leader, that listening to workers' grievances is not enough and that unions' officials must do more to champion workers' causes. Eastern bloc unions, Mr Gaspar believes, must become more independent-minded. If they are to win credibility with their rank and file they must "protect the working class against the bureaucratic offshoots of its own state."

Even Mr Gaspar's status as a Hungarian politician member and president of the Prague-based World Federation of Trade Unions (WFTU), to which most communist national unions are affiliated, is not enough to sway his peers elsewhere in the east. Solidarity has made them shudder at the word "independence," and wants to hang on to unchanging certainties of Leninist-style unions.

Lenin laid down in 1920 that an unbreakable umbilical cord was to bind unions to the communist party, with unions acting as "transmission belts" to convey party directives to the masses. Little has changed in the intervening half-century. Last December, after Solidarity was suspended by martial law, Pravda felt able to crow that "our party's history has demonstrated with the utmost clarity the absurdity of the concept of 'independent' trade unions."

had odour with the International Labour Organisation, which is currently investigating complaints of major violation of trade union rights and denial of free worker association in the Soviet Union, Poland, Romania and Czechoslovakia.

During the 1970s dozens years few western bodies filed labour complaints about the Soviet Union. But complaints brought to the ILO about the communist bloc are rising, though still outweighed in number by those concerning Latin America. The western-orientated International Confederation of Free Trade Unions—the WFTU's opposite number—has now, for instance, asked the ILO to investigate the allegations that the Kremlin is using "star labour" on its Siberian pipeline. For its part, the ILO, though a UN body which cannot expel member countries, is becoming less anodyne in its criticism, and has recently decided to start its own country investigations, instead of waiting for complaints.

Attempts to set up free trade unions are a symptom, not a cause, of the east bloc's labour problems. The key question is whether workers—with or without the right to strike—feel that, via their official unions, they have any genuine influence on communist governments. Under the new law, Polish workers can have no such national influence until 1985, when, if they behave themselves, they will be able to set up a national organisation again. Compare this with the power of Hungarian unions, which last year got the Kadar government openly to back down on moves to reduce pension eligibility, and the frustration of Polish workers is obvious.

Broader economic change may, over time, give the unions more rein. "I believe the scope of unions is influenced as much by economic developments as by legislation," says Mrs Jedit Czechak who sits on the union central committee in Hungary, where decentralising economic reforms have enhanced union power.

This, too, could be the gradual result of economic reform in Poland. But workers' patience is exhausted there, as the latest Gdansk strike shows, and may be running short in other eastern bloc countries.

Letters to the Editor

Disclosure by unit trusts

From Mr J. Faulkner Irving
Sir.—Surely with a plethora of unit trusts being launched the time has come for legislation to be enacted so that the amount of money taken out of the trusts by the holding companies must be disclosed in the Trusts' annual reports.

There are many unit trust managers, incidentally appointed by the holding companies, who are continually "churning" the investments even in those trusts which are supposed to hold their investments for long-term growth. Various commissions, brokerage and exchange charges etc on these dealings are done through the holding company and are not disclosed in the unit trust reports.

When one writes to the unit trust managers pointing out this fact one will almost certainly get a reply that it is not practical, an excuse that only the very naive could accept.

A fact that is often over-

Arguments against Trident

From Mr E. H. Bateman
Sir.—I am not surprised that the moral argument against Trident should be rejected by one of your readers (Mr R. Coley, October 1). My recollection of the Nuremberg War Crimes Tribunal in 1945 is that genocide is now illegal. That surely is not a valid reason for asserting the imperative of Trident's procurement.

Presumably the ICBMs are not illegal because they are supposed to be aimed at military installations. In a nuclear exchange it is inconceivable that targets would be so limited.

A submarine's only defence against counter-attack from above is concealment—the not-impenetrable screen of a few fathoms of sea-water. Are we really expected to believe that the Russians will not be able to detect submerged submarines before Trident could become operational?

Historically the Russians have been the victims of Western aggression four times in 130 years—Napoleon in 1812, these ingenious machines. Old hands, like myself, prefer our electric typewriters or—for a short communication such as this—handwriting.

John G. Griffith, Emeritus Fellow, Jesus College, Oxford.

Playing fair on subsidised fares

From Mr J. O. Lewis
Sir.—Miss K. Campbell (Letters, October 1) misses the main thrust of my letter on subsidised fares. If it is argued that Tube travellers should pay the true cost of the services they use then surely in equity this must also apply to users of British Rail services in the Greater London area.

Are the ratepayers of Bromley, a borough of lower unemployment and higher income per household than the majority of London boroughs, to enjoy subsidised rail services while wishing to deny these to other citizens travelling by a different mode of rail transport elsewhere within the Great West?

L. Williams, 205, Lompis, Hoddeston, Hertx.

Why managers should type
From Mr John G. Griffith
Sir.—Not only junior management, but "middle management" and, for that matter, senior managers, too, might save their firms money by copying the example of Oxford dons, who type regularly articles, correspondence and much of the administrative garbage of academic life for the simple reason that there is little secretarial "back-up" for such work.

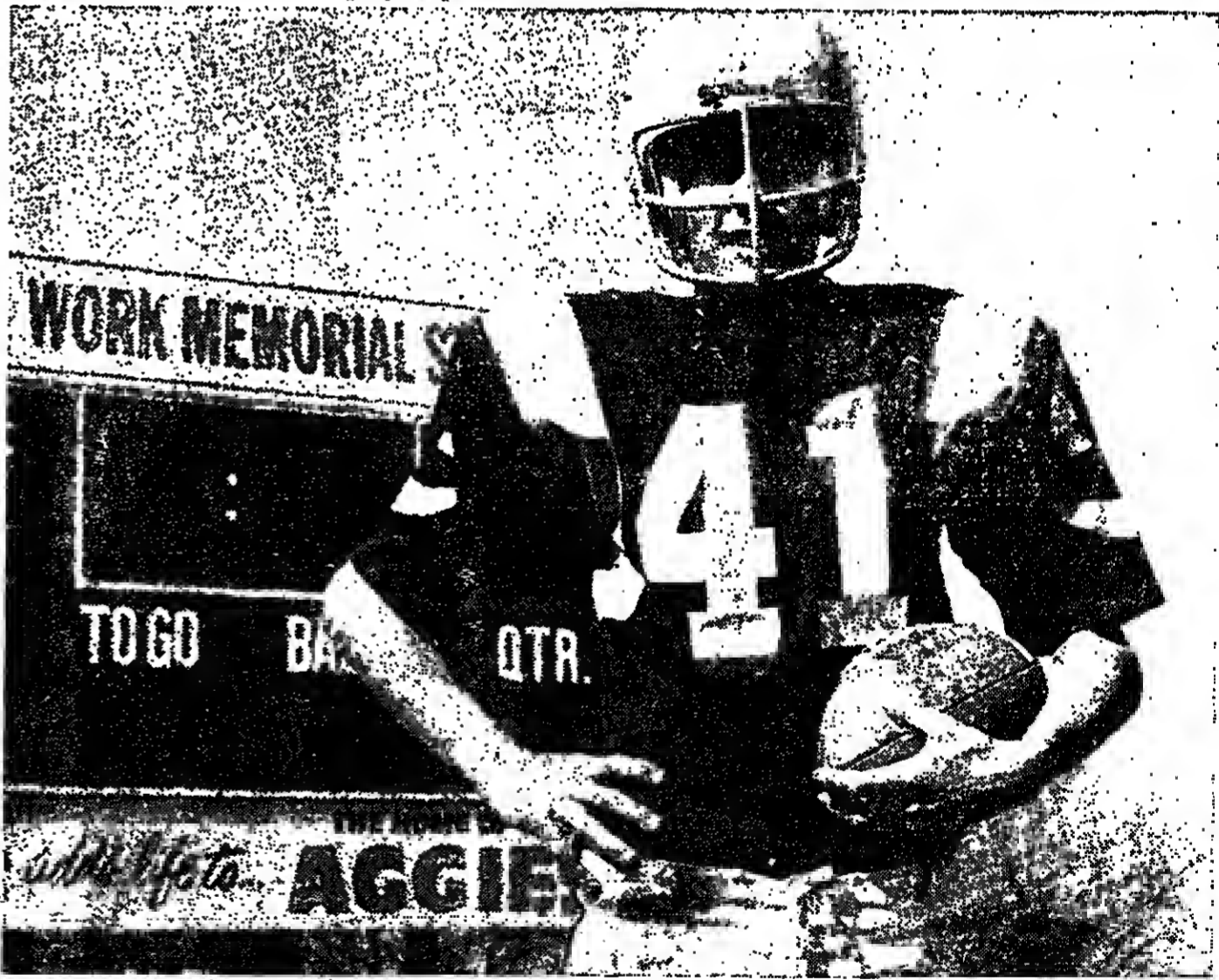
Social attitudes to industry

From Mr George Wyndham
Sir.—Mr Christopher Lorenz's thesis, well presented, is that during the 19th century a revolution towards the romantic, the evangelical, and eventually the imperialistic occurred among the upper classes of the time: that an orientation was given to education in favour of the humanities as opposed to the scientific and the technical; and that this has persisted. Behind it is an implication that such rural groups as the country

gentry have leaned against the practical, so far as to be averse to technical education. The thesis does not really hold water at least so far as managers, farmers, foresters and the like are concerned, because it is inconceivable that anybody such as the subscribed could afford for long to be superior about such matters as land drainage and timber conversion.

For an example, the chair in agricultural education in this country was held for years successively by persons who had been educated in one part or another of what is now called the "independent sector."

Another view of a chemical company. Sequence 12



Will Rodzewich, student, about his father Edward, chemist with Henkel's Amchem Products, Inc., Ambler

"I try to be like dad at Henkel: always on the ball"

"A winner sees an answer for every problem, a loser sees a problem in every answer"—that's what my football coach always told us. According to that, dad is a winner-type. As a chemist in research and development with Amchem Products, a Henkel company, he has to face a lot of new customer problems in the automobile and other industries. In general terms, the problems are how to prepare metals for car bodies, containers or cans to inhibit corrosion and to give maximum quality to the consumer. What kind of problem it may be, dad has an answer. He is sent to the customers to find the right solutions and to complete them. That's why

dad is travelling so much—within the U.S.A. and to foreign countries as well. He has been to many other companies from Pennsylvania to Japan. One of them was a Henkel company in Germany which had taken licenses of dad's Amchem more than twenty-five years ago. When Henkel acquired Amchem in 1979, dad said: that will make a good union. I think he was right. Since then his company has expanded and so did his responsibilities. I've tried to be a winner in football. And so I'll try as a mechanical engineer."



Edward, my dad

Amchem Products, Inc., Ambler/Pennsylvania (U.S.A.), is one of more than 100 companies of the Henkel Group, situated in more than 40 countries. Worldwide sales 1981 = 8.8 billion DM. 34,000 employees. Headquarters Düsseldorf, Federal Republic of Germany. Product range includes laundry products, household cleaners, cosmetics, adhesives, industrial cleaners, oleochemicals, auxiliary products for textile and leather industries. Over 8,000 products for all walks of life.

Chemistry working for you.

Social Affairs

The campaign to reform the charity laws

By Ian Hargreaves

BRITAIN'S CHARITIES have never had it so good. They are being showered with grants—£125m in 1980-81, a 35 per cent increase. They have been given valuable new tax concessions and they are being asked to play an important role in the Government's job creation and training efforts, which pushed another £90m their way last year.

All told, Britain's almost 140,000 charities are thought to have an annual income approaching £3bn and although voluntary gifts have fallen off during the recession, Government money is filling the gap for many.

It is easy to see why the Government should want to encourage charities. Voluntary organisations are after all the part of the private welfare sector—unlike private hospitals and schools, which also have charitable status—with a clean political image. Even people who support Mr Benn send their children to charity-run playgroups and do not object to hospices for the dying run by Catholic nuns.

The charities are, as Sir Geoffrey Howe told them this week, an essential part of the mixed economy and the key to the Government's strategy of rolling back the frontiers of the public sector in welfare. Although there are many in the voluntary sector who are, to say the least, wary about the closeness of this Government embrace, it is one they can scarcely refuse.

What the charities can do, however, is to drive as hard a bargain as possible with the Government on financial concessions and, perhaps in the long run much more important, on the question of their legal status.

The publication this week by the National Council for Voluntary Organisations of Charity, Law and Social Justice" by Mr Francis Gladstone marks the first shot in a campaign about charity law of which we shall hear much more.

Although the book is cast very much in the "agenda for discussion" mode, it is evident that Mr Gladstone shares with a number of leading figures in the charities world a conviction that the time has come, after several false starts, for a

sustained campaign to clarify and modify a legal regime which rests upon almost 400 years of abstruse case law. Mr Gladstone argues that over the years the judges have actually whittled away freedoms left vague by the 1601 statute on charities and created a situation where they are barred, among other things, from pursuing the promotion of peace, racial harmony and human rights; from funding advice services and from tackling unemployment. This is in addition

to long-standing anomalies, like the refusal to grant charitable status to the British Humanist Society, while allowing it to all churches, even to the Moonies.

The cause celebre of the moment is Amnesty International, which was refused charitable status and is now considering an appeal. Amnesty was "turned down on the grounds that its work in publicising the plight of political prisoners and working for their release constitutes political activity outside the scope of the charity laws.

The Amnesty case is popular among the big charities because many of them, like Christian Aid, are also involved tangentially in similar human rights work and are occasionally lashed off by the Charity Commissioner as a result.

But in some ways a more interesting case for the Government is that of the Northamptonshire Rural Community Council, a charity which normally concentrates on saving village halls and the like, but which decided it could no longer ignore the core problem of rural England: unemployment. Its plan was to set up four workshops in a village near Northampton, using funds from a local trust, but the commissioner ruled against the scheme on the grounds that charities should not be in the business of regenerating the economy or tackling unemployment. Charities

Similar proscriptions apply to many "self-help" organisations, such as tenants' associations, because charities are supposed to help others, not their own members. This seems particularly regrettable in the face of widespread experience that self-generated projects are the most successful.

Indeed, some go further and argue that self-help charities are a vital component in the process of evolution from a centralised, paternalistic welfare state to one which relies more upon local initiative and control.

In theory, some big vested interests are at stake as this debate unfolds. Could, for example, the Church of England risk losing its charitable status because of its involvement in social concerns? Charities, according to the latest annual report of the commissioner, must avoid "seeking to eliminate social, economic or political or other injustice." In other words, they must treat effects, not causes.

The answer in the case of the Church is almost certainly not. But this type of fear does help to explain why the charities have, in the east, spoken with such a muffled voice about legal reform. Few wish to attract attention to their more legally questionable activities by making a fuss. Even Mr Gladstone's hook is the less effective for its inability to name names.

It may well be that this preference for a steady ship will, coupled with a recently enhanced informality and flexibility from the commission itself, take the edge off the momentum for reform. The charities themselves will have to decide.

* Charity, law and social justice Bedford Square Press, £6.95

WORLD TEXTILE MACHINERY

Recession works back to the machine makers

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THERE WILL be more than a fair share of glum faces among the 20,000 exhibitors and visitors in ATME-1, the American textile machinery exhibition, which opens in Greenville, South Carolina, tomorrow morning. The depression among the world's textile and garment producers, which has seen massive layoffs in all the western industrialised nations, has now reached back to the machinery manufacturers.

According to the International Textile Manufacturers Federation, in Zurich, "the world textile machinery market succumbed to recessionary factors during 1981" and that recession has continued this year. "The majority of the 22 participating countries in a survey recorded no increase in production levels during the second quarter of this year in either the spinning or weaving sectors."

In the spinning field, deliveries of short-staple spindles dropped by a third last year to 2.26m. In long-staple spindles the fall was not quite so severe, being 8 per cent down at 437,200, and in rotor machines there was a decrease of just 4 per cent to 491,500. The same depressing picture emerges from the weaving machinery manufacturers which saw a 6 per cent drop in deliveries of looms to 58,585.

The only bright spot in all this, which has continued this

year, is that there are some signs that Far Eastern countries will take more spinning machinery this year and that there might be some increase in demand for shuttle-less looms—the latest sort of machinery—from one or two parts of the world such as the Far East, North America and North Africa.

The American industry itself is in deep trouble. There have been closures in Germany and Britain this year and even the Swiss have gone into short-time. It is reported that the Japanese are in some difficulties.

Greenville will, therefore, be an important barometer. If there is to be any upturn in sales of machinery in the U.S. next year orders will have to be placed over the next seven days. There are some cautiously optimistic noises being made. The American Textile Manufacturers Institute, for instance, is letting it be known that the native industry "has never been in a better shape to make a rebound."

William H. Huguley IV is not so convinced. Mr Huguley heads his privately-owned company, West Point Foundry, and is also vice-president of the American Textile Machinery Association.

"The U.S. textile machinery industry may not be dying," he says, "but it is very sick."

In the 1980s and 1980s one company had 95 per cent of our internal market and substantial

overseas sales. But it did not invest sufficiently in research and development or in new machinery—and it died.

"As recently as 1970 American companies had 80 per cent of our own market. Now it is under half and the Europeans and the Japanese have captured the rest."

Once ATMA members gave work to some 35,000 people, mostly in North and South Carolina and Georgia. Now, we are down to 17,000 and the figures are continually falling. Two years ago I had 450 workers at West Point Foundry but only last month I had to lay off 80 and my workforce is now 320.

"Our problem at the moment is the strength of the dollar. This has knocked our own exports sideways and given an enormous competitive advantage to other countries."

"Until last year about half our production went abroad but this has already come down to 20 per cent. Because of the strength of the dollar the Germans have a 30 per cent price advantage over us. We just cannot compete with that sort of differential."

"To try and combat it we have gone into creative price-selling arrangements. We are now selling in almost any currency we can get. We will take 10 per cent down and the balance over whatever number of years we can arrange."

"The American industry will

survive, but not as we know it today. There will be combining of companies, in the way that John D. Hollingsworth on Wheels took over the British company Platt Saco Lowell. The American industry becomes much more specialised and much like the European."

The American industry has, in fact, already become internationalised. Not only are there a large number of overseas exhibitors among the 400 at ATME-1 but there is also a substantial European and Japanese manufacturing presence in the three southern states. There are so many Swiss and German companies along Interstate 85, one of the main roads that runs through the textile states, according to Dean D. S. Hamley, of North Carolina State University, it is now irreverently called Autobahn 85 by the locals.

Back home the Swiss, like the Germans, have their own problems. Short-time working is on the increase and, as in the U.S., companies like Sulzer, Rieter, Ruti and Saurer are keen to trade on almost any terms.

No longer can these grandee firms command the payment terms they once took for granted. A decade or so ago the Swiss expected a third on order, a third half-way through the contract and the remainder on completion. Few problems of cash-flow there. Now, it is more

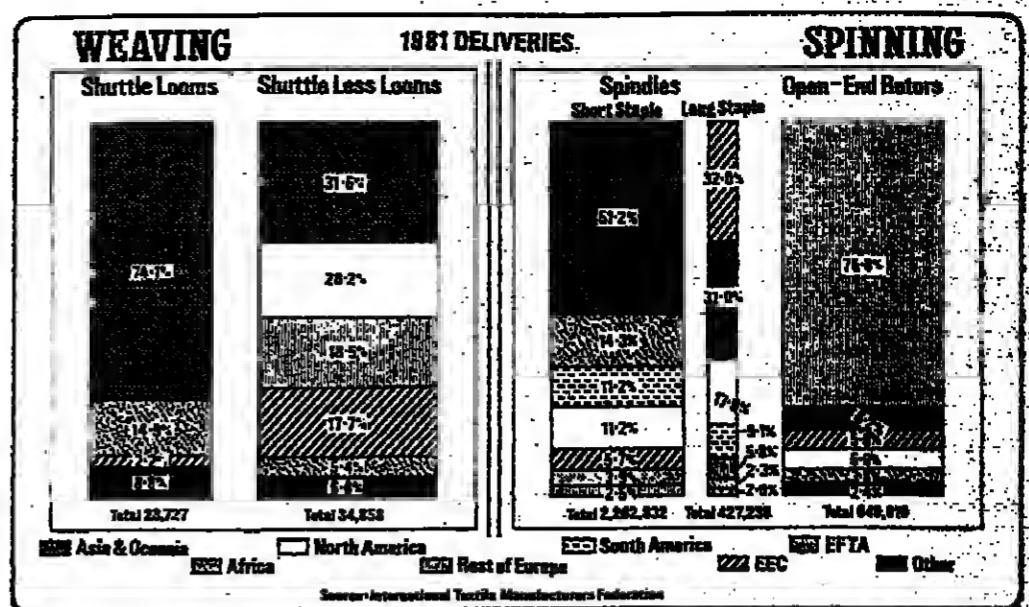
usual to take 10 per cent of the order, perhaps 10 per cent on completion and the rest over 5-10 years.

None of the western countries, though, has been hit quite so badly as the British. Britain became an industrial nation to a large extent on the back of its textile and textile machinery industries. Britain dominated the world of weaving and spinning machinery and produced to meet the needs of its empire.

This dominance lasted well into this century and in some areas even until the 1950s. But it was first cracked, especially in weaving machinery, by the Czechs in the 1930s and quickly picked up by the Swiss and followed by the Japanese.

Other countries began to appreciate long before most people in Britain that it was possible to weave wider widths at faster speeds. They spent money on research and development and put in new capital. British textile concerns seemed to be more concerned with using their existing machinery to the end of its life rather than depreciating it quickly and replacing it with faster machinery incorporating more modern ideas.

The result has been that the British industry has contracted to about 200 companies and while the industry continues to be one of the world's leading exporters it has slipped down the league table.



The West Germans are now the leaders, with total overseas sales of around \$400m a year, followed by the Swiss, the Italians and the French with the British in fourth position. The British Textile Machinery Association estimates that the world market for textile machinery is running at about \$2.5bn a year, of which the UK accounts for some 10 per cent.

The reasons for the worldwide collapse in machinery activity were succinctly summarised by Dr Hans Locher, of Zellweger, another Swiss concern, and president of the Textile Institute at its recent conference in Lucerne.

"We are suffering from the consequences of the recession, which has dampened demand for textile products, especially in the western world."

"But even more serious is the vast over-capacity which has emerged throughout the world as a result of many countries setting up textile industries which have little or no chance of producing a fair return. There has been unjustifiable investment in some areas and we are now paying for it."

One way in which the textile machinery industry is paying for the consequences of this over-expansion is a surfeit of machinery. As the recession has forced companies out of business more and more second-hand machinery has come on to the market. That machinery is second-hand in name only.

When Courtaulds closed its Campsie factory in Northair, Ireland last year it disposed of all its machinery; some of it has not even been taken out of the packing cases. It was sold abroad as "second hand."

There is a warehouse in Nelson, just outside Manchester, which is full of second-hand machinery. It is a Mecca for any developing country that wants to instal newish machinery at rock-bottom prices.

These low prices have dragged down the level of profitability for the manufacturers like Sulzer and West Point Foundry and Ruti. And until the world's economy picks up the amount of old machinery will continue to play havoc with the fortunes of the manufacturers of new equipment.

"WHAT I MADE UP MY MIND TO DO WAS TO FIND A BLEND SUFFICIENTLY LIGHT AND OLD TO PLEASE THE PALATE..."

James Buchanan reminiscing on his ambitions for the Buchanan Blend in the 1880s.

In the 1880s, the English didn't realise it but they were ready for a new drink.

The main spirits of the day were gin and brandy, with rum being used as a base in toddy.

Gin, distinctly inferior to the gin of today, had been a low class drink for 2 centuries; excepting quality imports called "Hollands."

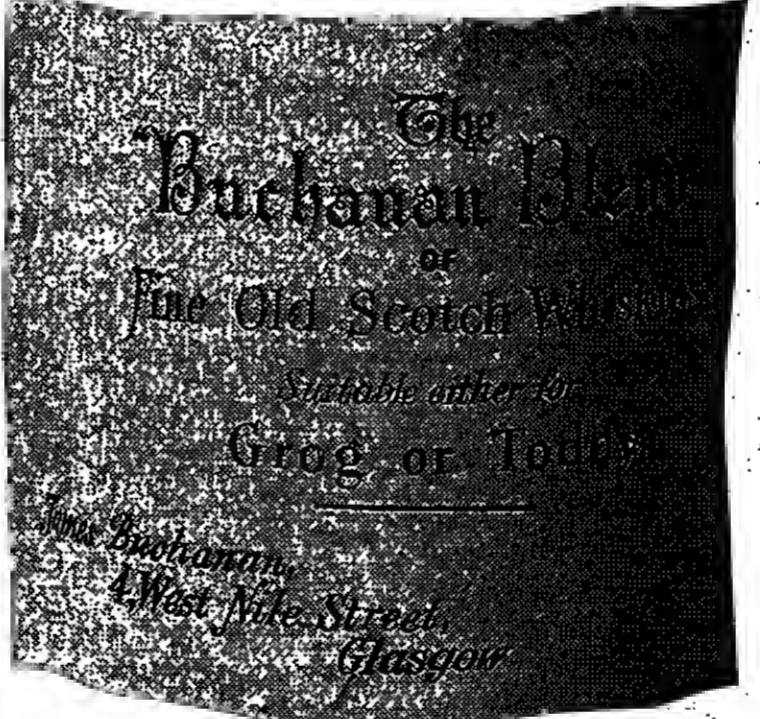
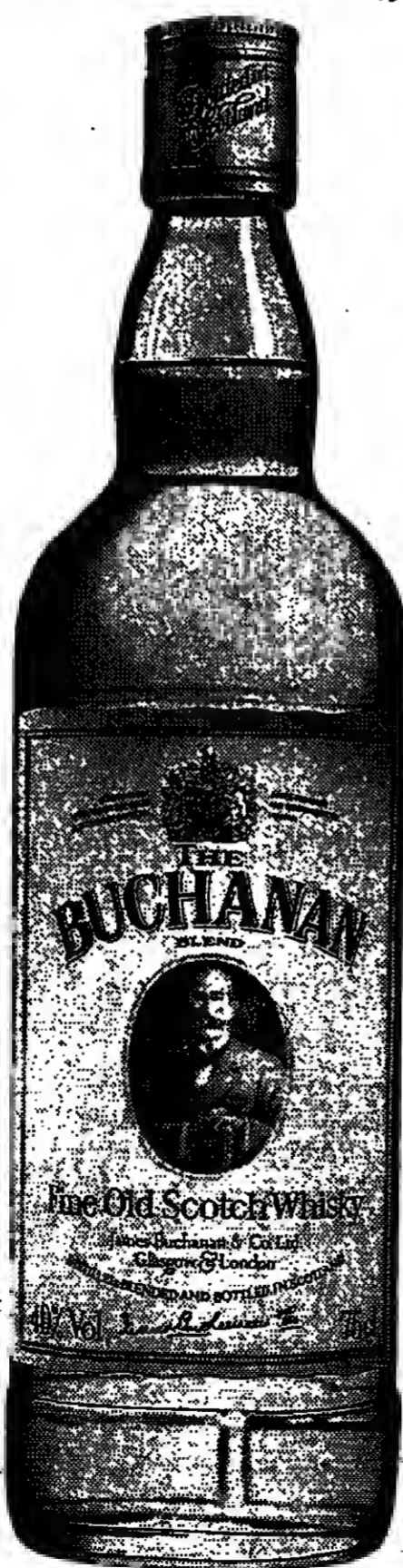
Brandy, already highly taxed, was also becoming less available due to vine crop failures.

Scotch whisky was well enough known, but as an open-air drink you partook of in Scotland while deer-stalking, hunting or fishing.

It was straight malt of inconsistent quality, often too powerful and little enjoyed South of the border.

James Buchanan's answer was the Buchanan Blend and it's success was to be colossal.

Though not a pioneer of the relatively new skill of creating a smoother drink by blending grain and malt whiskies, James Buchanan was one of the very few who got the blend right. To which he added a further much needed quality: consistency.



The full extent of the Buchanan Blend's huge success is another story.

But James Buchanan, once a £10 a year Glasgow shipping clerk, went on to become Lord Woolavington and a great patron of the turf; and his Buchanan Blend helped build a world-wide export market.

THE BUCHANAN BLEND TODAY.

The Buchanan Blend costs a little more and continues to be a somewhat superior whisky among the good quality brands.

It contains both grain whisky made by continuous distillation, and malt whisky made from peat-dried barley.

But it is the generous measure of matured malt whisky in the blend that creates the difference that can be tasted in every dram.

The Buchanan Blend is, however, easier to drink than to find. But be assured that you will find any detour well worthwhile.

The earth may not move when you drink your first Buchanan Blend.

But you will wonder why you've settled for less in the past.



THE RISE AND RISE OF JAMES BUCHANAN.

It was into this climate of opportunity that James Buchanan arrived as the London agent for a Leith whisky merchant.

He had no capital and few contacts. But within a few years he had set up on his own having discerned that when the English drank whisky in England they weren't sure about what they'd get, and didn't always like it when they got it.



APPOINTMENTS Industrial Life Offices Association chairman

- Mr Derek Bourdon, director and general manager (UK) of the Prudential Assurance Company has been elected chairman of the INDUSTRIAL LIFE OFFICES ASSOCIATION. He succeeds Mr Peter Taylor, director of the Royal London Mutual Insurance Society. Mr Gerald Ramsden, managing director of Refuge Assurance, succeeds Mr Bourdon as the Association's vice-chairman. Mr Keith Browne, chairman of London and Manchester Assurance Company has been re-elected treasurer.
- TRIDENT LIFE ASSURANCE COMPANY has appointed Mr Michael Beer as pension director. He joined the company in 1978 as executive pensions manager.
- Mr Reg Aston has been appointed director of the BITUMINOUS ROOFING COUNCIL. He was previously the permanent officer of the Expanded Polystyrene Association and was its director for nearly 10 years.
- QUANTUM ASSOCIATES has appointed Mr David W. Welch a director.
- Mr Bernard H. Flashman has been appointed managing director of STORNO RADIO COMMUNICATION SYSTEMS. He joined the marketing operation of Storno in 1965.
- Mr R. J. Ferryman has been appointed a director of HARTLEY COOPER AND CO.
- Mr John W. Gristock has been appointed general manager for WOOD GROUP HAVEN ENGINEERING.
- Mr Andrew Oakes has joined the private Reading-based property group ROCKFORT as a group director. He was formerly with chartered surveyors Richard Ellis.
- Mr David Rowe has been appointed director of the UNIVERSITY OF WARWICK SCIENCE PARK.
- Lord Justice Purches, Lord Justice Goff, and Lord Justice Dillon have become members of the Privy Council on their appointment as Lord Justices of Appeal. Mr Justice Halls, Mr Justice Mann, and Mr Justice Leggatt have been knighted on their appointment as Justices of the High Court of Justice.
- Mr Reg Martin, non-executive chairman of ALBERT MARTIN HOLDINGS will retire from the board on October 31. Mr Michael Kidd, deputy chairman and managing director, has been appointed executive chairman from November 1. Mr James S. Bryant, a director of Lazard Brothers and Co, has been appointed a non-executive director of Albert Martin.
- Mr Stuart Hopkins, director and general manager of WADHAM STRINGERS, Plymouth, has been appointed divisional director for the South-East.
- Y. J. LOVELL (NORTHERN) has appointed two directors. They are Mr Bernard Stones, as contracts director and Mr Ken Graham, surveying director.
- Mr J. Douglas Scott has been appointed managing director of THE LUMMUS COMPANY, Northampton. He succeeds Mr Arnold K. Allen, who has moved to CE, Lummus, Bloomfield, New Jersey, as vice-president/project director.
- Mr Michael Tyndall has been appointed finance and operations director, QUINTON HAZELL (IRELAND) and QUINTON HAZELL (ENGINEERING), the Ireland-based subsidiaries of QH Automotive. He joined QH in 1980.
- Mr John McBride has been appointed managing director of AGB PUBLICATIONS in succession to Mr Bill Catber,
- retires next year from the AGB Research Board of which he is a main board director. Mr McBride is at present managing director of Hulton Technical Press, and a director of AGB Publications and other group publishing companies. Mr Patrick McAleesean is appointed associate director of AGB Publications responsible for operational financial matters.
- Mr David Preston, general manager of BROCKHOUSE DISTRICT STEEL, Smeethwick, has been appointed a director.
- Mr Clive Williams is joining THE LONDON LIFE ASSOCIATION as divisional manager, sales and marketing. He succeeds Mr Roy Avery, who will be retiring at the end of the year.
- Mr Michael Sledge has been appointed managing director of NOTTINGHAM BRICK. He succeeds Mr Tony Knox who, having been managing director for ten years, retired recently at the age of 65.
- Mr Peter Robinson has become a director of CARROD & LOFT-HOUSE INTERNATIONAL.
- Mr Tony Walford, managing director of Grand Metropolitan Hotels, has been appointed group managing director of AUTOBAR INDUSTRIES from November 1.
- Mr Edward Raymond Jones, Mr Michael Jacob Tyler, and Mr Edmund Earp, have been appointed directors of FIRMIN & SONS.
- MATTHEWS AND YATES, fan makers of Swinton, Manchester, has appointed Mr A. C. Jones as works director. He was formerly works manager of Ainscree Howden.
- Mr A. R. Castledine, Mr D. M. Curtis, Mr R. A. Howard and Mr H. J. Shannan, all directors of subsidiary companies, have been appointed to the main board of ERITH, together with Mr M. A. Wright, the company secretary. Mr D. L. Barker has resigned.
- Mr K. C. Saltrick has been appointed to the board of FLIGHT REFUELLING (HOLDINGS). He will continue as operations director. Flight Refuelling.
- ARA SERVICES has appointed Mr Roger French as chief executive in the UK. He has been director of the vending division, and takes up his new appointment on October 15.
- Mr C. K. E. Nannley has been appointed a non-executive director of MACMILLAN.
- Mr J. G. Pettifer has been appointed managing director of SIMON-CROFTSHAW (a Simon Engineering company) he was formerly technical director. Mr J. C. Frisley has become operations director; he was formerly general manager at the London office of Sim-Chem.
- Mr F. Stebbing has been appointed a director of BAKER ELECTRONICS.
- Mr W. R. N. Hine has joined BAGGERS BRICK as an executive director.
- Mr Michael Thompson has been appointed group finance director of SCAPA GROUP. He will remain group secretary.
- Mr Walter M. Hoffman (Howard Tilly and Co, Great Britain) has been elected first chairman of the BIER INTERNATIONAL group of company practices, meeting in Copenhagen. The six-nation group has some 60 partners (or continental equivalents) and 600 staff. As well as Howard Tilly and Co, member firms of BIER International are RIR REVISION (Denmark), Calas Ramonin (Austria), (France), DATAG (Germany and Italy), and RST

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Companies and Markets

UK COMPANY NEWS

Harris Queensway climbs by £1.1m after six months

INCREASED pre-tax profits up from £382m to £433m, are reported by Harris Queensway...

HIGHLIGHTS

The Lex column today discusses the continued rise of the gilt-edged market...

£1.24m to £637,000 and profit of £574,000 (£367,000) on property transactions...

been introducing new ranges at the top end of the price range in both carpets and furniture...

Insurance boost for Minster Assets

INCLUDING a significant rise in results from Minster Insurance pre-tax profits at Minster Assets...

Mr McGibbon says this rise was a result of the appreciable fall in interest rates on both sides of the Atlantic...

Senior Engineering doubles profits

PRE-TAX profits for the six months to the end of June showed a strong recovery at the Watford-based Senior Engineering Group...

Mr R. Smith, the chairman, says the strong recovery was due to having a greater impact overseas and in recent months there has been a renewed down-turn in demand in the UK...

The interim dividend is being held at 0.75p net. Last year a total of £1.2m was paid on pre-tax profits of £4.02m and turnover of £88.53m.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Dividend, Date of Payment, Corresponding Dividend, Total Dividend, Last Year Dividend. Lists companies like Alpine Holdings, Ash & Lacy, Brown Thos, etc.

to West Bromwich, with estimated closure costs of £1.2m (£700,000 net) which will be charged as an extraordinary item in the 1982 accounts.

Comment

The recovery seen at Senior in the second half of last year has continued through into the first six months of 1982 as benefits of slimming come through...

Ash & Lacy rises to £1.42m

IN THE face of severe national and international recession taxable profits of Ash & Lacy, perforated metal and steel cladding maker and galvaniser, advanced from £908,000 to £1,420,000 in the 26 weeks to July 3 1982...

£1,420,000. Tax took £736,000 (£487,000). Current cost adjustments reduced the pre-tax profits to £683,000 (£1,666m).

Ash & Lacy's 75 per cent pre-tax profit rise and its announcement of an increase in the workforce is welcome news indeed. Not surprisingly, the shares hopped another 34p yesterday to land at 380p, more than 20 per cent higher than their level six months ago...

either require less maintenance or last longer. Steel Products, for example, now accounts for a quarter of A & L's sales and continues to grow thanks to its hold on the pricey end of the cladding business...

Minster Assets has tempered its announcement of a 23 per cent profit rise by saying that the full year results are not likely to show a similar increase.

Snooker boom lifts Riley Leisure to £0.9m

TAXABLE PROFITS of Riley Leisure, snooker and billiard table manufacturer and snooker club operator, advanced from £723,000 to £902,000 in the 12 months to July 31 1982 on higher turnover of £9.56m compared with £9.05m...

A breakdown of turnover and pre-tax profits shows: snooker table manufacture and maintenance £3,02m (£2,73m) and £284,000 (£102,000); billiard and snooker club operator, £2,13m (£1,76m) and £552,000 (£487,000); furniture £1,52m (£2,61m) and £37,000 losses (£104,000 profits); games £288,000 (£222,000) and £7,000 losses (£10,000 profits); retail shops nil (£487,000) and nil (£27,000); associated losses £200,000 (nil).

The prospects for the group are encouraging and the snooker companies look set to produce further improvements in sales and profits, he says.

the year and both turnover and margins were down to the lowest levels recorded during the recession. The group therefore cut back its manufacturing capacity.

Shares in Riley have been, and remain, a straight investment in a strong growth leisure area. Activities such as china and glass, now gone, furniture and hoard games have had nothing whatsoever to do with the historically glamorous earnings multiple dictated by snooker's rapid climb to universal popularity.

At some point in the not too distant future, Riley will need to grow or buy a new leg but the balance sheet is probably not in the best shape to absorb a significant cash debt now that the business is beginning to suck in more development finance.

taxable profits were struck after interest payable of £205,000 (£24,000). Tax took £422,000 (£257,000) and after extraordinary debits of £29,000 (£5,000 credit) for the closure costs of furniture activities, the attributable profits emerged at £431,000 (£461,000).

Shares in Riley have been, and remain, a straight investment in a strong growth leisure area. Activities such as china and glass, now gone, furniture and hoard games have had nothing whatsoever to do with the historically glamorous earnings multiple dictated by snooker's rapid climb to universal popularity.

At some point in the not too distant future, Riley will need to grow or buy a new leg but the balance sheet is probably not in the best shape to absorb a significant cash debt now that the business is beginning to suck in more development finance.

Helene of London lifts profits by 25%

An increase of 25 per cent from £202,760 to £253,297 in pre-tax profits has been shown by Helene of London for the 26 weeks to June 30 1982. The figures show turnover of this fashion leisurewear producer and textile merchant moved ahead from £5,14m to £5,36m.

However, Mr M. Barkeman, chairman, warns that the modest upturn experienced in the earlier part of the year has not continued.

Druck beats its forecast with year-end £821,000

IN ITS initial figures since joining the Unlisted Securities Market in April, Druck Holdings reports a substantial increase in pre-tax profits for the year to June 30 1982. The figures show an increase from £197,968 to £821,121, which comfortably beats the forecast of £750,000 made at the time of the prospectus.

Turnover of this group, which has interests in the manufacture and sale of electronic pressure measuring devices, rose from £1.4m to £2.94m, an increase of almost 50 per cent.

OEM slips to £1.14m midway

TAXABLE PROFITS of Office and Electronic Machines slipped from £1.5m to £1.14m in the first half of 1982, on higher turnover of £12.76m compared with £11.43m.

The interim dividend is being maintained at 2.5p net on lower stated earnings per 25p share of 10.5p (11.66p). Last year a total dividend of 1.75p was paid from pre-tax profits of £2.66m.

of Adler, Imperial and Triumph machines plans to launch a low cost word processing system and a powerful micro-computer for business applications before the end of the year.

which it still dominates with its Adler machines, to the electronic market, of which it has a 20 per cent share. And rougher times are to be expected with Xerox and the Japanese now muscling in. But the group is not entirely hemmed in by the conservatism of Imperial-Triumph-Adler for whom it is the sole distributor.

LADBROKE INDEX

604-609 (+1)

Clive Discount Holdings PLC Interim Statement

The directors of Clive Discount Holdings PLC have pleasure in declaring on interim dividend on the ordinary shares of the company of 1.30 pence per share (equivalent to 1.857 pence per share including the tax credit applicable to United Kingdom shareholders) in respect of the year ending 31st March 1982.

M. J. H. Nightingale & Co. Limited

Table with columns: Company Name, Price Change, Dividend, Fully Paid. Lists companies like H&L, Ass. B&I, CULS, etc.

Rule 163 quote for Voyager Petroleum

Up to 20 per cent of Voyager Petroleum (UK) is to be traded on the London market under Rule 163(S) as a preliminary to eventually seeking an Unlisted Securities Market quotation.

TSB offshoot changes its corporate structure

THE TSB Trust Company, the insurance and trust arm of the TSB Group, has taken the opportunity of the need to comply with the provisions of the 1981 Insurance Companies Act to completely reorganise its corporate structure.

RESULTS AND ACCOUNTS IN BRIEF

CLIVE DISCOUNT—Interim dividend for year to March 31 1982 3p net (nil). The directors say the company traded profitably during the first half and the operating base has been greatly strengthened.

TSB offshoot changes its corporate structure

life business. So the insurance division is split into TSB Life and TSB Insurance Brokers.

RESULTS AND ACCOUNTS IN BRIEF

CLIVE DISCOUNT—Interim dividend for year to March 31 1982 3p net (nil). The directors say the company traded profitably during the first half and the operating base has been greatly strengthened.

Large advertisement for COMBINED ENGLISH STORES GROUP PLC. Includes an Interim Statement table with columns for 28 weeks ended, 28 weeks ended, and 52 weeks ended. Also includes text about the company's performance and future prospects.

MINING NEWS

BIDS AND DEALS

Uranium production ceases at Mary Kathleen

BY GEORGE MILLING-STANLEY

PRODUCTION of uranium oxide from Australia's oldest uranium mine ceased at midnight last night. The Rio Tinto-Zinc group's Mary Kathleen mine in Queensland said that it had closed its treatment plant, as stocks of uranium oxide now on hand were sufficient to meet all contractual commitments.

Uranium production for the quarter ended September 30 was 318 tonnes, against 273 tonnes in the previous three months and 232 tonnes in the March quarter. Output for the first nine months of the year was 533 tonnes, compared with 592 tonnes during the same period last year.

The mine has had its share of problems since mining began in the summer of 1955. By the end of 1963, Mary Kathleen had completed its uranium supply contract worth A\$80m (£44.4m at current exchange rates) with the UK Atomic Energy Authority, and had to close.

Caribbean expansion by Eagle Star

Eagle Star Insurance Group has acquired for an undisclosed sum, the outstanding equity (70 per cent) in Caribbean Star Assurance Company from Pagan Insurance Underwriters and others.

J. Crowther moves into carpet yarns

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

THE John Crowther Group, of Huddersfield, is moving into carpet yarn manufacture. It is selling a 25 per cent stake in one of its subsidiaries, Rayon & Allied Fibres, to Bradford, Mr. Michael Johnson, and Mr. Stanley Sharp and in return, taking a 25 per cent option on Preiore, a carpet yarn company owned by the two men.

yarn manufacture industry," he said yesterday. "and we have for some time looked at the possibility of a separate unit exclusively for this purpose."

Swarovski offshoot has 29.9% of Ciro

The Fleming Mercantile Investment Trust: The Standard Life Assurance Company holds 7.35m shares (5.406 per cent). Lowland Drapery Holdings: M. S. Ross has acquired 20,000 ordinary shares and holds 1.7m shares.

SHARE STAKES

chairman, has reduced his non-beneficial holdings by 75,000 shares by virtue of his interest through a voting trust agreement.

Hitch for Philippines aid plan

THE COPPER mining industry of the Philippines cannot expect assistance from the Japanese Government in the form sought by the country's government, according to Mr. Cesar Virata, Prime Minister of the Philippines.

The Philippines announced last week that his government was seeking "soft" loans of around US\$120m (£70.6m) from the Japanese Government as a kind of advance payment for future shipments of copper concentrates from the Philippines to Japanese smelters.

Philippines Government makes up the difference between the world free market copper price, currently around 62 cents per pound, and the cost of local production, at present roughly 75 cents per pound.

RTMZ accepts loan for Empress

THE EMPRESS nickel mine of Rio Tinto Mining (Zimbabwe) (RTMZ), the local arm of the Rio Tinto-Zinc group, has been relieved, at least for the time being.

The government had initially offered RTMZ a loan of Z\$4.7m to keep Empress in operation, but the company was reluctant to accept the loan on the terms offered.

RTMZ added that negotiations with the government on the future of the Zioca platinum group metals project are still going on, but a decision is expected within the next couple of weeks.

ALEXANDER AND ALEXANDER

South Africa's PricewaterhouseCoopers has agreed in principle that Alexander and Alexander International can take over interest in PFV from its shareholders out exceeding 5 per cent.

BASE LENDING RATES

Table listing various banks and their base lending rates, including A.B.N. Bank, Allied Irish Bank, Amn Bank, etc.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data with columns for Series, Vol., Nov., Last, etc.

NOTICE OF REDEMPTION To the Holders of

TRW Overseas Capital N.V.

7 1/2% Guaranteed Debentures Due 1983 (Guaranteed by TRW Inc.)

NOTICE IS HEREBY GIVEN THAT pursuant to the provisions of the Indenture dated as of November 1, 1981, among TRW Overseas Capital N.V., TRW Inc., as Guarantor and Bankers Trust Company, as Trustee, \$1,580,000 principal amount of the 7 1/2% Guaranteed Debentures Due 1983 has been selected for redemption on November 1, 1982 through the operation of the sinking fund.

Large table listing debenture holders with columns for name, address, and amount.

CHI REDUCES STAKE IN TECHNICOAT

CHI Industrials has accepted an offer for 32 per cent of its shareholding in Technicoat Carcare. This transaction will reduce CHI's shareholding in Technicoat from 51 per cent to 19 per cent, the balance being held by an investment and a material gain or loss will arise.

GRAND MET.

Leggett Group a subsidiary of Grand Metropolitan reports that its Atlantic Soft Drink subsidiary has acquired Refreshmark a soft-drink bottling company from Automatic Service for an undisclosed cash sum.

PRESTWICK PARKER

Prestwick Parker Holdings has acquired Balfour Fasteners from BSG International for £20,000 cash. Prestwick will pay BSG £100,000 on April 1, 1984 and £83,653 on October 1, 1985 to clear Balfour's inter-company debt.

F. J. C. LILLEY

F. J. C. Lilley has completed the purchase of all the issued share capital of Mallerstang Holdings and its subsidiaries.

RHA INSURANCE

The Road Haulage Association (RHA) and Baul Dawes, the insurance broker, have agreed to form a new insurance broking company, to be known as RHA Insurance Services for the road haulage industry.

J. BIBBY

The acquisition by J. Bibby & Sons of the European laboratory glassware business of Corning, for around £10m, has been announced.

ELECTRA RISK

Electra Risk Capital has completed an investment of £100,000 for 40 per cent of the equity of Catering Cost Control Services. The company specialises in the provision of control systems for the catering industry.

YEARLINGS AT 9 3/4%

The interest rate for this week's issue of local authority bonds is 9 3/4 per cent, down 1/2 percentage points from last week's rate of 10 1/4 per cent, a year ago. The bonds are issued at par and are redeemable on October 19, 1983.

SURREY IND. HOSPITAL

The construction of Surrey Independent Hospital will now go ahead following the success of its recent rights issue. The issue, headed by M. J. H. Nightingale, of £2.8m "D" ordinary shares of £1 each at £1.17 per share has been fully taken up by a group of institutional investors.

LONDON TRADED OPTIONS

Table showing London traded options data with columns for Option, Expiry, Closing price, etc.

Debitors herein acknowledged for redemption will become due and payable at 100% of the principal amount thereof in U.S. Dollars at the office of Bankers Trust Company, Corporate Trust and Agency Group, Four Albany Street, New York, New York 10006, at the office of Bankers Trust Company, Dashwood House, 60 Old Broad Street, London, England, at the main office of Kredietbank N.V. in Brussels, the main office of Kredietbank S.A. Luxembourg, the main office of Dresdner Bank Aktiengesellschaft in Frankfurt, the main office of Banca Commerciale Italiana in Milan, the main office of Banque Indosuez in Paris and the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam, upon presentation and surrender of said Debentures accompanied by all coupons appertaining thereto maturing after November 1, 1982. Payment outside New York City will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City. Coupons maturing November 1, 1982 or prior thereto should be detached and presented for payment in the usual manner. On and after November 1, 1982, interest on the Debentures herein designated for redemption will cease to accrue. All payments are subject to receipt of the necessary funds by the Trustee.

TRW OVERSEAS CAPITAL N.V. Bankers Trust Company Trustee

FOR THE HOLIDAY HOME OF YOUR DREAMS WHOLE OWNERSHIP - TIME-SHARING IN SPAIN - FLORIDA - UK INTERNATIONAL PROPERTY EXHIBITION

Rotaprint The offset printing machine manufacturer, supplier of reprographic equipment and consumables. Results for the year ended 27th March 1982.

CO-BAN EUROFINANCE B.V. US \$30,000,000 Guaranteed Floating Rate Notes 1991 Guaranteed on a subordinated basis by CO-OPERATIVE BANK PUBLIC LIMITED COMPANY

Progress shown by Alpine Holdings

IN SPIKE of almost doubled losses of £175,000 against £88,000 from the fitted bedroom furniture operation, Alpine Holdings produced higher pre-tax profits of £876,000 against £602,000 for the 27 weeks to August 3 1982. Turnover of this double glazing, replacement window and shower group was little changed at £15,22m compared with £15,03m.

"Overall," says Mr James Gulliver, chairman, "I remain confident that the progress shown by our major activities will continue in the second half year."

The net interim dividend has been held at 2.375p after earnings per share were given as moving ahead from 2.47p to 2.94p. In the last full year a total of 5.25p was paid from pre-tax profits of £1.12m on turnover of £29.95m.

Mr Gulliver points out that the market for fitted bedroom furniture remains depressed and says that a complete review of this business is in hand. However at Alpine (Double Glazing) Co profits rose sharply

from £4,000 to £162,000. A new product, Heat Mirror, which improves the heat retaining qualities of double glazing, was launched. Mr Gulliver says there is evidence of improvement in sales and he is confident of steady progress in the rest of the year.

After a comparatively slow start at Dolphin Showers, Mr Gulliver reports that sales have reached record levels in recent weeks. Profits rose from £89,000 to £778,000 in the first half. An up-graded shower unit was successfully introduced in the period.

The strong liquid position of the group has been maintained. Pre-tax profits were struck after central administration costs of £161,000 (£170,000), while associate profits contributed £71,000 (£67,000).

After tax of £338,000 (£230,000) and minorities' last time of £12,000, attributable profits emerged higher at £336,000 (£234,000).

On a current cost basis pre-tax profits were reduced to £343,000 (£792,000).

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interim or final and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Insurance: Bridgeway Estates, Fogarty, T. C. Harrison, Higgs and Hill, Heads Manor, Hunting Petroleum Services, Lloyds, Sunbeam, Flannigan, Marbella's Universal, Nesco Investments, Rock-

BCA behind Keep's £4.6m bid says Dorada

considering an acquisition in the home improvements area, though perhaps outside the direct selling market. Cheaper money has given a boost to sales over the last two months and that trend shows no sign of weakening, but Alpine has some way to go before it can approach the level of profits attained in the good old days of the double-glazing boom. After the results the shares gained 5p to reach a 1982 high of 97p, yielding 11.6 per cent, though this pay-out is uncovered by current cost net profit.

"We do not believe that Keep and its directors have much knowledge of the Dorada group or of how its problems can be solved," Dorada said.

It urged the rejection of Keep's three-for-one equity bid which is underwritten by a 40p per share cash offer as "wholly inadequate." Dorada said it suspected Keep's principal interest lay in its break-up value. It had net assets of 68p per share on December 31 1981.

Dorada may not earn profits in 1982, but Mr James Philipps, who became managing director in April, should be given the opportunity to display his skills. Considerable improvements have already been made, it said.

Dorada pointed to the faster-than-average growth of its motor vehicle sales—up 37.8 per cent in the eight months to August against the national sales average increase of 3.3 per cent.

First closing date for the Keep offer is October 22.

Combined English Stores in loss after 28 weeks

THE SPECIALIST retailer Combined English Stores Group fell into a pre-tax loss of £1.67m in the 28 weeks to August 14, compared with a profit of £116,000 in the same period last year. Sales were up from £46.34m to £49.56m.

Mr Murray Gordon, the chairman, says that the undiminished severity of the economic climate continued to have a damaging effect on trade. The period is also traditionally much less profitable than the remainder of the year.

The interim dividend is being held at 1.45p net; a total of 3.15p was paid last year on profits of £2.68m. Losses per 12p share are given as 4.23p compared with earnings of 0.07p.

The pre-tax figure includes profit on disposal of property of £976,000 (£1.17m) and share of profits of associated companies of £83,000 (£30,000). Estimated tax took £369,000 (£50,000), minority

interests £16,000 (£22,000) and extraordinary items £70,000 (£58,000), leaving attributable losses of £1.32m (£492,000).

Current cost accounting increases the attributable loss before extraordinary items to £3,07m, or 6.32p per share.

The company trades under the names Salisburys, Fentons, Collingwood the County Jewellers, M. Mercado, Ronson Fur and Eurocamp Travel.

For CES, as for most retailers, the first-half results are always worse than the second. But a pre-tax loss of £1.67m is really bad. And this is after a profit of £976,000 on the disposal of property, which, stripped out, gives a loss of more like £2.8m. The main problems are in retailing, and particularly in the

leaving attributable profits of £2.17m (£1.69m), of which £1.7m was retained (£1.41m).

Current cost accounting cuts retained profits to £1.47m and earnings per share to 3.1p.

Turnover was up 22 per cent from £15.82m to £19.42m.

The interim dividend has been increased by two-thirds to 0.75p to bring it more in line with the trading performance during the first half and to reduce the difference between the interim and the final. Last year the 20p ordinary shares were subdivided into 5p shares; the interim of 1.8p is equivalent to 0.45p per 5p share for comparative purposes.

Earnings per share are stated as having increased from 2.7p to 3.5p.

Tax took £2.35m (£1.83m),

Interest charges stem Caparo advance

A £44,000 INCREASE to £159,000 in pre-tax profits is reported by Caparo Industries for the first half of 1982. But Mr Swraj Paul, the chairman, points out that the figures are not directly comparable as they include results of the Central Manufacturing and Trading Group for the three months to June 30 1981.

Group turnover rose from £19.79m to £26.14m, and operating profits were up from £32,000 to £75,000. Interest was substantially higher at £731,000 compared with £230,000. There was a tax charge of £31,000 against credit of £1.07m last time.

Extraordinary items took £88,000 (£17,000), the principal costs being redundancies and reorganisation expenses. Available profit for appropriation was £40,000 against £1.17m.

First half figures in the

engineering division have been depressed by the timing of deliveries and contracts. The second half will have the benefit from these and should show a higher level of profitability. Despite the continued low demand from the engineering construction industries, the industrial services division should show further improvement in profits in the second half, he says.

The steel stockholding companies benefited from a reasonable level of demand and rising prices. Both of these factors have now reversed and this will lead to lower second half profits.

Up to the end of September, the group had contracted for the sale of surplus properties amounting to approximately £400,000 at around book value. During the first half, the group

realised a surplus of £185,000 arising from the cash element of Glynwed's offer for Ductile. Since June, a further surplus of approximately £260,000 has arisen from the sale of 2m Glynwed shares.

Mr Paul says trading conditions generally have deteriorated in the first half and there is no sign of any sustained increase in demand from its principal markets.

Stated earnings per 25p share fell from 5.43p to 0.3p. The interim dividend is unchanged at 0.3p—last year's total was 1p net from pre-tax profits of £419,000.

Unless there is a further serious deterioration in demand major cutbacks at Caparo which now comprises mainly the former CMT group are over. Gains from

the trimming already carried out will continue to show through particularly in the industrial services side where much of the cutting was done. There should also be some improvement from engineering because of the timing factor, but steel stockholding is a black spot and will send the metals side reeling. This should all add up to a moderate gain on a group operating profit. Debt reduction arising from property and share disposals and lower interest rates should bring a bonus in lower finance charges. There will also be a useful gain from investments, but with the poor prices obtaining on property the group is now looking more to improve its rental yield rather than sales. Yesterday's poor figures left shares down 2p back to the 1982 low of 20p for a yield of 7.3 per cent, assuming similar final.

Farnell reaches £4.5m midway

increased by recession-wary customers buying in smaller lots and failing to take advantage of bulk discounts. Costs have been reduced by a new warehouse completed in May and the savings should continue to be felt in the second half. Since July, sales have remained high for components which are extensively used by the defence industry. With so many of its customers and competitors de-stocking over the last 18 months, Farnell with its 16,000 lines of components is well placed to exploit any upturn in demand. It has been easy for the company with so much cash on its hands to up its interim dividend by two-thirds. Pre-crisis for the year's net dividend are however only about 2p, up from 1.55p, which represents a gross yield of 1.1 per cent.

leaving attributable profits of £2.17m (£1.69m), of which £1.7m was retained (£1.41m).

Current cost accounting cuts retained profits to £1.47m and earnings per share to 3.1p.

Turnover was up 22 per cent from £15.82m to £19.42m.

The interim dividend has been increased by two-thirds to 0.75p to bring it more in line with the trading performance during the first half and to reduce the difference between the interim and the final. Last year the 20p ordinary shares were subdivided into 5p shares; the interim of 1.8p is equivalent to 0.45p per 5p share for comparative purposes.

Earnings per share are stated as having increased from 2.7p to 3.5p.

Tax took £2.35m (£1.83m),

leaving attributable profits of £2.17m (£1.69m), of which £1.7m was retained (£1.41m).

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Tax took £2.35m (£1.83m),

108 companies are wound up

COMPULSORY WINDING up orders against 108 companies were made by Mr Justice Mervyn Davies in the High Court.

They were: Michaelides International Construction (UK), Lengo Investments, Massey Coggins, Anglo-Range, Northern Management Consultants (Cheshire).

Westcott, The Melpond Estate Agency, Bankruptcy Fur Company, Samll Electronics, Coralbrook, Kampas Films, The House of Roche, Joreff European, Bondpen.

Phoenix Windows (Portsmouth), All-Eng. Aerostyle, Jarvis Enterprises (Kent), Machinka, ASP Holdings, Braughton Sterling, Normabrix, Trapmain, Gwider.

Idanella, Eastcott Estate Agencies, Periblock Freshness, Westscott, Bormshaw, Priestshaw, John Gerrard, J. G. Gerrard, HPAC, Webb Son and Co, Maquin

Safety Glass Company, Engineering, Walbrook Consultants, Freedom, Rado, Rado Reeltech, PW Insulations, General Electronic Services (Southend).

Westbrooke Ventures, Drive-moor, Britany Kitchens, W and B Lancaster, Henry Kington, Carric Supplies, Kenis Building Contracts, Edwards, Thom and Yates, Mistybond, Save Deal Market.

Thinvine, Herbert and Herbert (Builders), O'Connor Carpentry Company, T. A. Martin and Son (Roofing), Singwise, Merit Motors (Volkswagen), CES Europe, Entertainment, City and General, Cleaning Company, Merit Motors (Hadleigh).

"Don R." B and H Pnois Supplies, Home Video Supplies, Bulkchoice, T. P. Buckley and Co, Goodsave, Stockport Stadium Car Hire, J. G. Westcott and Son (Motor

and Marine), Park Lane Jewellers, GTO Entertainment, Discount, EBB, and Sals, Con-ruck, McArrow, Engineering Services, Peacock and Beard Contractors, Lingard (Motors).

Dialogue "Terminals", HBG Supermarkets, Ray Allen Building Contractors (Chesterfield), Canning and Poole, Macroadways, Text, John Payne (Restaurants), Equimoss, Danpoint.

D. Clark and Sons, Pierdeck, RAS Consultants, Carefreed, Meadoway, Popsy Turvy, Trend Developments.

Reagow, John Bathurst Chautauris Agency, Striver, J. Barnes (Builders), CDS Builders and Brickwork Contractors, Beldale Builders, Thames-Food Products, The Cavern Steak House.

Central Video Club, Big Apple Records, Goodone, Raysonic HI is now looking more to improve its rental yield rather than sales. Yesterday's poor figures left shares down 2p back to the 1982 low of 20p for a yield of 7.3 per cent, assuming similar final.

Second half fall at S. Lyles

TAXABLE PROFITS of carpet yaro spinner and dyer S. Lyles slipped from £837,695 to £504,745 in the year to June 30 1982 on marginally lower turnover of £11.18m compared with £11.53m.

At the half-way stage this West Yorkshire based company had moved ahead with pre-tax profits of £257,000 (£202,000) and sales of £3.45m (£3.3m).

The year's dividend is being maintained at 6.25p net per 20p share with a final of 3.75p (4.25p). Earnings per share are given as 19.05p (18.85p) on a net basis and as 8.61p (10.61p) on an adjusted net basis after excluding releases from deferred tax.

Trading profits fell from

£710,838 to £573,220 and bank overdraft interest charges were lower at £98,475 (£73,143).

After a tax credit of £227,250 (£30,868)—including a deferred tax release in respect of accelerated capital allowances no longer required—and preference dividends of £29,850 (same) the attributable profits emerged at £692,045 (£573,613). Dividends absorb £226,994 (same) leaving a retained balance of £465,051 (£346,619).

Current cost adjustments reduced the taxable profits to £30,000 (£412,000) and earnings per share to 5.88p (12.47p) on a net basis and to losses of 4.48p (4.41p earnings) on an adjusted net basis.

Mr John Lyles, chairman, says that during the closing months of the financial year, a reasonable level of activity was maintained. After a sluggish start to the current year, turnover is now running at a further improved level, and although profit margins remain lean, the continuation of the fall in interest rates should help the future volume of the company's bunne trade.

The cost of redundancies made in February was met during the second half. Also the provision for doubtful debts made at the half year stage proved to be overstated and an adjustment was made in arriving at the year's profits.

Yorkgreen lifts interim as profits rise

PRE-TAX profits of Yorkgreen Investments for the six months ended April 30 1982 increased to £71,205 from £58,463 for the same period last year. Turnover was ahead at £77,694 compared with £628,278.

Yorkgreen's principal activity is the supply of ceiling lighting panels, lenses, and louvers through its affiliate, Lincor Controls, while Yorkgreen Oil and Gas has interests in 125 oil wells in North America.

The interim dividend is 0.2625p net per 10p share, and the directors say they expect to pay a final of the same amount, recommending an interim of 0.21875p were paid on pre-tax profits of £168,000 over an 18 months period to October 31.

Earnings per share are stated at 1.1p compared with 0.99p.

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THE FLEMING JAPANESE INVESTMENT TRUST PLC

formerly the Capital National Trust PLC

Manager—Robert Fleming Investment Management Limited
Secretary—Robert Fleming Services Limited

Year ended 31st July	Gross Revenue '000	Ordinary shares Earned per share	Paid per share	Gross Assets less current liabilities '000	Net Asset Value per equity share
1980	1,785	7.38p	6.95p	31,765	201.9p
1981	1,732	6.85p	6.95p	39,052	248.2p
1982	1,441	7.39p	6.95p	36,266	230.5p

Annual capitalisation issues have been made in "B" Ordinary Shareholders as follows—
1980 3.590789% 1981 2.78825% 1982 3.09825%

In his statement Sir Hugh Mackay Tallock said: The switch of investments to Japan should be substantially completed within the next six months. Our main aim is to emphasize capital performance, and although this policy should be accompanied by increased dividends to shareholders in the longer term, the immediate effect of the restructuring of portfolio, as shareholders have been warned, will be to reduce the earnings available for dividends.

As indicated in the letter to shareholders dated 19th March 1982 the directors are recommending a final dividend of 4.70p per share for the year ended 31st July 1982 making a total dividend of 6.95p for the year. They are also recommending an interim dividend of 2.25p in respect of the year ending 31st July 1982. These recommendations will ensure that shareholders will receive a maintained distribution, in the 12 months following the change of investment policy, from the company.

I would remind shareholders that in the above mentioned letter of the 19th March it was indicated that the directors expected to recommend a final dividend of 1.25p per share for the year to 31st July 1983, making a total for the year of 3.50p. It was estimated that a total dividend of not less than 1.75p would be paid for the year ending 31st July 1984.

Copies of the Accounts are available from the Registrars, Bourne House, 24 Beckenham Road, Beckenham, Kent BR3 4TU



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Companies and Markets

U.S. mining industry seeks aid

U.S. MINING production could decline dramatically unless the Administration took steps to boost the competitive position of domestic producers...

France offers Russia grain

BY DAVID WHITE IN PARIS

THE FRENCH authorities are hoping to stabilise wheat sales to the Soviet Union at a minimum level of up to 2m tonnes a year under a medium-term framework agreement...

Into the same category as last year's agreement covering 1.3m tonnes of grain for Poland, which was covered by a special French credit...

No ruling on dairy processing

By Richard Mooney

THE DAIRY TRADE Federation's bid to end what it sees as an unfair price advantage enjoyed by processor-producers of milk has received a serious setback with the refusal of Sir Ernest Woodroffe, the independent arbitrator, to give a ruling on the issue...

Parma ham Tougher times for Italian processors

BY JAMES BUXTON, RECENTLY IN LANGHIRANO

THE SLIGHTLY musty, salty smell of maturing hams pervades Langhirano on the South side of Italy's Po valley. In the busy sunshine of an autumn day you can see clusters of hams on the terraces of some of the seasonal houses...

The crisis was partly solved by some slowing down of the growth rate, as farmers raised lower prices. This year, prices have stabilised. The price of Parma ham has been held down, thereby squeezing the producers' hard margins but making it more competitive with products of lower quality...

Australian harvest down sharply

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN wheat harvest this season at 8.9m tonnes is likely to be the smallest since 1972, and 7.5m tonnes down on last year.

The Victoria wheat crop is expected to produce 550,000 tonnes, the smallest yield since 1944, while production of wheat, barley and oats in New South Wales is unlikely to exceed 1.8m tonnes against 7.3m tonnes last year.

PRICE CHANGES

Table with columns: In tonnes, Oct 12, + or -, Month ago. Lists various commodities like metals, oil, and grains.

Metal prices easier

BY OUR COMMODITIES EDITOR

METAL PRICES eased on the London Metal Exchange yesterday following the decline in gold and the downward move on the New York market...

either 2 cents to 69 cent or 3 cents to 70 cents a lb. At the London Metal Exchange annual dinner last night, Mr Michael Brown, chairman of the management committee...

Coffee market stages a rally

By Our Commodities Staff

TRADERS on the London Robusta coffee futures market were at a loss yesterday to explain a sharp rise in nearby prices which lifted the January position \$38 to \$1,400 a tonne.

COFFEE

Table with columns: High, Low, Business. Lists coffee prices for various grades and origins.

AMERICAN MARKETS

Table with columns: High, Low, Business. Lists American market prices for commodities like gold, silver, and oil.

BASE METALS

Table with columns: High, Low, Business. Lists base metal prices for copper, lead, zinc, and tin.

SILVER

Table with columns: High, Low, Business. Lists silver prices for various grades.

COPPER

Table with columns: High, Low, Business. Lists copper prices for various grades.

COCOA

Table with columns: High, Low, Business. Lists cocoa prices for various grades.

LONDON OIL SPOT PRICES

Table with columns: Latest, Change. Lists London oil spot prices for various grades.

GAS OIL FUTURES

Table with columns: Month, Year's day's +/- Business Done. Lists gas oil futures prices.

TIN

Table with columns: High, Low, Business. Lists tin prices for various grades.

INDICES

Table with columns: Oct 11, Oct 10, Mth ago, Yr ago. Lists various financial indices.

GOLD MARKETS

Table with columns: Oct 10, Oct 11. Lists gold market prices for various grades.

LEAD

Table with columns: High, Low, Business. Lists lead prices for various grades.

ZINC

Table with columns: High, Low, Business. Lists zinc prices for various grades.

REUTERS

Table with columns: Oct 12, Oct 11, Mth ago, Yr ago. Lists Reuters market indices.

EUROPEAN MARKETS

Table with columns: Oct 10, Oct 11. Lists European market prices for various commodities.

ALUMINIUM

Table with columns: High, Low, Business. Lists aluminium prices for various grades.

NICKEL

Table with columns: High, Low, Business. Lists nickel prices for various grades.

GRAINS

Table with columns: High, Low, Business. Lists grain prices for wheat, barley, and oats.

POTATOES

Table with columns: High, Low, Business. Lists potato prices for various grades.

WOOL FUTURES

Table with columns: High, Low, Business. Lists wool futures prices for various grades.

NEW YORK

Table with columns: High, Low, Business. Lists New York market prices for various commodities.

CHICAGO

Table with columns: High, Low, Business. Lists Chicago market prices for various commodities.

RUBBER

Table with columns: High, Low, Business. Lists rubber prices for various grades.

MEAT/FISH

Table with columns: High, Low, Business. Lists meat and fish prices for various grades.

SILVER

Table with columns: High, Low, Business. Lists silver prices for various grades.

LIVE CATTLE

Table with columns: High, Low, Business. Lists live cattle prices for various grades.

SOYABEAN MEAL

Table with columns: High, Low, Business. Lists soyabean meal prices for various grades.

SUGAR

Table with columns: High, Low, Business. Lists sugar prices for various grades.

SILVER

Table with columns: High, Low, Business. Lists silver prices for various grades.

LIVE CATTLE

Table with columns: High, Low, Business. Lists live cattle prices for various grades.

BARLEY

Table with columns: High, Low, Business. Lists barley prices for various grades.

WHEAT

Table with columns: High, Low, Business. Lists wheat prices for various grades.

WHEAT

Table with columns: High, Low, Business. Lists wheat prices for various grades.

WHEAT

Table with columns: High, Low, Business. Lists wheat prices for various grades.

ABOUT 90 per cent of all food produced in Africa is lost after the harvest due to poor crop combination with rotting and infestation by insects, according to a report by the Kenyan Ministry of Regional Development and Agriculture.

CURRENCIES; MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar falls but pound strong

The dollar continued to weaken on the prospect of lower U.S. interest rates. It was the first time that U.S. markets had been able to give judgment on the dollar after the long weekend following the cut in the Federal Reserve discount rate on Friday and comments by Mr Paul Volcker, chairman of the Federal Reserve Board, on monetary policy.

2.1555 against the Swiss franc and \$262.50 from ¥264.50 in terms of the Japanese yen. Sterling — Trade-weighted index 93.0 against 92.8 at noon in the morning and at the previous close, and 90.0 six months ago.

FINANCIAL FUTURES

Strong undertone

Settlement remained bullish on the London International Financial Futures Exchange, although trading in the Euro-dollar contract was somewhat subdued in the morning. This reflected the sharp move up in prices, which seemed to be in excess of movements in the cash market.

EMS EUROPEAN CURRENCY INTEREST RATES

Table with columns: Currency, Annual inflation, % change from central bank, % change adjusted for divergence, Divergence limit %.

OTHER CURRENCIES

Table listing various currencies like Argentine Peso, Australian Dollar, Canadian Dollar, etc., with their respective rates.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, U.S. dollar, Canadian dollar, etc., with columns for Oct 12 and % change.

CURRENCY RATES

Table showing currency rates for Sterling, U.S. dollar, Canadian dollar, etc., with columns for Oct 12 and % change.

THE POUND SPOT AND FORWARD

Table showing pound spot and forward rates for various currencies like U.S., U.K., Canada, etc.

THE DOLLAR SPOT AND FORWARD

Table showing dollar spot and forward rates for various currencies like U.S., U.K., Canada, etc.

EXCHANGE CROSS RATES

Table showing exchange cross rates for various currencies like Pound Sterling, U.S. Dollar, Deutsche Mark, etc.

MONEY MARKETS

Pressure increases on banks to cut rates

UK clearing bank base lending rate 10 per cent and Treasury bills at 9.75 per cent. The Bank of England put further pressure on clearing banks yesterday to cut their base rates. Band 2 and 3 dealing rates were cut to 9 1/2 per cent and 9 3/4 per cent respectively.

at 9 3/4 per cent, £242m in bond (15-31 day) at 9 1/2 per cent and £29m in band 3 (34-63 days) at 9 1/4 per cent. There was no further assistance given in the afternoon.

LONDON MONEY RATES

Table showing London money rates for various terms like Overnight, 7 days, 14 days, etc.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies and terms.

MONEY RATES

Table showing money rates for New York, Germany, France, Japan, Switzerland, etc.

T LONDON INTERBANK FIXING

Table showing T London interbank fixing rates for 3 months and 6 months U.S. dollars.

EUROCURRENCIES

Euro-dollar rates continued to fall yesterday. The market appeared to be in some euphoria as a previous announcement by the U.S. Federal Reserve Bank concerning the suspension of regular money supply announcements and a cut in the discount rate to 9 1/2 per cent from 10 per cent was followed yesterday by a one-point cut to prime rates to 12 per cent, led by Morgan Guaranty. Fed funds were also lower at the opening, being unchanged with Swiss rates quoted at 9 1/2 per cent as the market adjusted to a different set of rates.

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Du Pont chief sees difficult year

THE U.S. chemicals industry faces another difficult trading year in 1983, Mr Edward Jefferson, chairman of Du Pont, the major chemicals manufacturer predicted.

Mr Jefferson gave a gloomy analysis of the industry's immediate prospects to top U.S. business leaders last week. The industry is likely to achieve only a marginal improvement in volume output next year, he said.

The U.S. chemicals industry had been "profoundly affected by the recession." As a result, most plants were running at about 67 per cent of capacity compared to the normal industry average of about 80 per cent.

Some sections of the industry, such as commodity chemicals, were running at about 50 or 55 per cent of capacity. An increase of only 4 or 5 per cent in output volume was expected next year.

Mr Jefferson predicted profits this year would be down and capital spending, which had already fallen, would be further reduced. "We see no

Turning to the petroleum industry, Mr Jefferson, whose company last year paid \$7.8bn for Conoco, said that U.S. companies had reduced their oil

Francisco on Monday, Mr Jefferson told industry analysts that Du Pont has "a large discretionary cash flow which will be about \$4bn," despite the impact of the recession.

The U.S. chemicals industry will continue to run at reduced capacity and profits will fall, predicts the chairman of Du Pont. Paul Taylor reports.

signs of a recovery at the moment," he said.

Du Pont has already revealed that its group volume sales were 10 or 15 per cent lower this year than they were in the boom years of 1979 and that many of its plants are operating at only 55 per cent of capacity.

Mr Jefferson said that, as a result of the strong U.S. dollar the industry would continue to be a positive contributor to the U.S. trade balance but that its contribution this year would fall to about \$10bn.

inventories by as much as 700m barrels this year.

This inventory reduction was now "close to complete" and suggested that this may help Opec producers lift production from the current 18m barrels a day to "around 21m barrels a day."

Mr Jefferson said that, as a planning guide, he expected oil prices to remain stable in money terms next year but to show a real increase of "1 to 3 per cent a year in subsequent years."

In a separate meeting in San

He expected the company's total debts at the end of the year to be slightly below last year's total of \$6.5bn. Du Pont borrowed \$3.9bn to help finance its purchase of Conoco.

The Conoco purchase resulted in the doubling of Du Pont's debt to equity ratio to about 40 per cent. But Mr Jefferson said the company hopes to reduce this to about 30 per cent by the end of 1984.

Last month, Du Pont announced the sale of Conoco's U.S. oil and gas interests to Petro Lewis for \$722m as part of its plan to reduce the debts.

The group is also considering selling U.S. coal reserves as well as some of its British North Sea interests to help reduce its bank debts.

International Paper's earnings fall again

By Richard Lambert in New York

INTERNATIONAL PAPER, the world's largest paper-maker, suffered another sharp drop in earnings during the third quarter and said its results would remain depressed until there was a "meaningful improvement in the economic environment."

Sales in the latest three months fell by just over a fifth to \$586m and net income plunged from \$54m to \$32.4m. Net income after nine months was \$133.6m, or \$2.30 a share, compared with \$283.4m, \$5.37 per share, in 1981. Nine months' sales were \$3,029m against \$3,966m.

Dr Edwin Gee, the chairman and chief executive, said that dismal economic conditions—specifically high interest rates, continuing recession, and a strong dollar—had made the third quarter a most difficult period for the forest products industry. Shipments had held up reasonably well over the summer, but pricing pressures had cut into profit margins.

Pending an economic upturn, Dr Gee noted that "we do have the financial flexibility to continue the important task of strengthening our pulp and paper mill system."

The company's results have been substantially affected by after-tax gains of \$17.2m in the first quarter from the sale of tax benefits. Of \$10.05 a share net profit reported for all of last year, a total of about \$5.60 a share came from a number of non-recurring gains, most particularly the sale of Canadian International Paper to Canadian Pacific Enterprises for about \$2.1bn (US\$950m).

Excluding these factors, Wall Street analysts are looking for net profits in the region of \$3 to \$3.50 a share this year against about \$4.50 from operations last year.

Harvester debt talks may end this week

BY OUR NEW YORK STAFF

INTERNATIONAL Harvester hopes to complete debt negotiations with its nearly 200 lenders by the end of this week.

Only a handful of banks, including some from Continental Europe, are said to be holding back from the scheme, which would result in a substantial reduction in cash interest payments and the conversion of up to \$500m of interest and debt principal into equity.

In a separate part of its survival plan, Harvester said that its efforts to secure help from its suppliers were also going well. The group, which is seeking up to \$50m in the form of price reductions, extended payment terms, and improved delivery arrangements, said that it had secured about \$10m of concessions in the first week of trying.

Under the restructuring plan, such concessions will play a key part in determining how much of the group's debt is swapped into equity. The lenders are being asked to exchange \$3 of debt for every \$1 conceded by suppliers and others.

Harvester's dealers are also being asked to help bail the

group out of its financial predicament. In talks started yesterday, Harvester hopes to amend its discounts and trade terms for trucks and agricultural equipment so that for at least a year the dealers would agree to give up their usual discounts in exchange for issues of a new convertible preference share.

Details of this issue, together with information about the previously announced exchange offers for the group's public debentures, were filed with the Securities and Exchange Commission yesterday.

Meanwhile, International Harvester France said it had signed a letter of intent to sell Yumbo, its construction equipment manufacturing subsidiary, to a group of Yumbo executives.

Under its new ownership, Yumbo will continue to produce hydraulic excavators in its two plants located near Lyons, Sales last year were put at \$34m, of which more than three-fifths went to export markets.

Harvester is currently in the process of selling its main construction equipment business to Dresser Industries of Dallas.

New York bond issue for World Bank

By Peter Montagna, Euromarkets Correspondent

THE WORLD BANK is raising \$250m through an 11 per cent seven year bond issue in the New York market which was priced yesterday at par by Morgan Stanley, the lead manager.

This is the bank's second issue in New York in a week. Last week it also raised \$350m but the coupon was much higher at 12 1/2 per cent, reflecting the change in the market since then. The issues are not directly comparable, since last week's issue was for a much longer maturity of 20 years.

Prices in the Eurobond market closed higher yesterday by as much as 14 points in some cases, though "price rises slackened off in the afternoon amid profit-taking and signs of market consolidation after recent heavy gains.

Two new issues yesterday comprised \$75m for St Paul Companies, the U.S. insurance group, and \$47.8m for the City of Vienna, an unusual amount which reflects the fact that this bond will be the subject of a currency swap.

The St Paul issue is by Goldman Sachs and bears a coupon of 11 per cent over five years with issue price par, while the Vienna issue bears interest at 12 1/2 per cent over 10 years. Led by Salomon Brothers and Zentralsparkasse it is also priced at par.

France's Banque Paribas du Commerce Extérieur is raising \$100m through a 10 year issue led by Swiss Bank Corporation with an indicated yield of 8 1/2 per cent.

Late last night Lehman Brothers announced a \$100m 10-year 11 1/2 per cent bond priced at 98 1/2 per cent for International Telephone and Telegraph, the U.S. communications concern.

Loan losses at Northwestern Financial

By Our Financial Staff

OPERATING net profits at Northwestern Financial, moved up from \$4.1m to \$5.6m in the third quarter of this year. But the board commented that the onset of the recession in the U.S. has boosted both loan losses and non-performing assets, making necessary a significant increase in the loan loss provision.

Net earnings for the period, struck after taking account of securities trading, total \$4.3m or 85 cents a share, compared with \$4.1m or 87 cents a year ago.

At the nine-month stage, Northwestern shows operating profits of \$14.4m, or \$2.81 a share, against \$11m or \$2.33 last year. After taking in securities trades, net profit stand at \$8.8m or \$1.73 a share against \$8.6m or \$1.83.

The board said that loans at the nine-month point are valued at \$1.18bn compared with \$1.11bn at the same stage of 1981. Deposits, on the same basis, are put at \$1.67bn against \$1.54bn.

Dana third quarter sales and profits decline further

BY OUR FINANCIAL STAFF

SALES and profits at Dana, the Ohio-based group which is suffering from its hefty commitment to the motor industry, continued to fall away in the third quarter of this year.

Mr Gerald Mitchell, chairman and chief executive, said Dana was operating at only 30 to 40 per cent of capacity, but was profitable and enjoyed positive cash flow throughout the year. The balance sheet was "extremely strong."

Net earnings fell in the third quarter from \$33.2m or 94 cents a share to \$14.9m or 41 cents a share, on sales down from \$673m to \$558m. In 1981, when the company earned \$116m for the full fiscal year, almost 80 per cent came from the vehicle division which supplies en-

Heublein deal approved

By Our Financial Staff

THE ACQUISITION of Heublein Industries, the spirits and specialty food group by R. J. Reynolds, the largest U.S. cigarette manufacturer, was approved by respective shareholder meetings of the two companies.

The deal values Heublein at about \$1.4bn and brings into the Reynolds fold such well known names as the Kentucky Fried Chicken franchise operations and Smirnoff vodkas.

At the special meeting of Heublein in Hartford, 73 per cent of shareholders voted in favour of the merger.

The purchase of Heublein represents a further diversification into the food industry. Reynolds also owns Del Monte, a producer of canned foods.

Westinghouse net up on special gains

BY OUR FINANCIAL STAFF

WESTINGHOUSE Electric, the large diversified U.S. electrical and electronics group, reported third quarter net profits ahead at \$113.7m or \$1.31 a share against \$104.6m or \$1.21 a share.

But the figure includes a gain of 16 cents a share from the sale of a 50 per cent interest in Showtime, its pay television

service, and a gain of 11 cents a share from the purchase of \$55m of debentures.

Revenues edged up from \$2,290m to \$2,320m.

For the nine months period, net profits rose to \$346.5m or \$4.03 a share from \$334.9m or \$3.90 a share on revenues of \$7.1bn, against \$6.8bn.

The company said operating earnings for both the third quarter and the nine-month period declined from a year ago. "We have seen an improvement in general economic conditions during recent months and order rates in most segments of the corporation trailed year-ago levels," said Mr Robert E. Kirby, chairman.

United Telecom edges ahead

By Our Financial Staff

UNITED Telecommunications, second largest U.S. independent telephone company, moved ahead to net profits of \$54.6m or 68 cents a share for the third quarter, on revenues of \$611.7m.

For the comparable period last year, profits were \$53.6m or 69 cents a share on revenues of \$598.3m.

Nine months profits were \$150.8m or \$1.88 a share on revenues of \$1,610m, against net of \$130.4m or \$1.57 on revenues of \$1,470m. Final net last year was \$206.3m, including \$55.3m from discontinued operations.

The company said the latest quarterly figures reflected gains in telephone operations. It was confident of a much stronger fourth quarter than last year.

Write-offs continue to hold back First Chicago

BY PAUL TAYLOR IN NEW YORK

FIRST CHICAGO CORPORATION, the parent company of First National Bank of Chicago, the second largest bank in the city and number 10 in the U.S., managed to boost net income before securities transactions by almost 10 per cent in the third quarter. However, substantially higher losses on its securities business and larger loan write-offs left net earnings flat.

Net earnings increased from \$34.1m to \$37.3m before securities losses of \$4.6m pushed final net earnings down to \$32.7m or 81 cents a share compared to \$32.9m or 81 cents a share in the same period of last year.

In the same period of last year, securities losses totalled \$1.2m. The bank said provisions for loan write-offs in the third quarter were increased to \$90m from \$20m a year earlier and net loan write-offs were \$28.8m compared to \$15.5m.

Securities losses in the latest nine month period of \$7.1m compared to \$3.5m in the period last year resulted in a final net earnings of \$95.1m or \$2.37 a share compared to \$82.3m or \$2.06 a share.

to \$32.9m or 81 cents a share in the same period of last year. In the same period of last year, securities losses totalled \$1.2m. The bank said provisions for loan write-offs in the third quarter were increased to \$90m from \$20m a year earlier and net loan write-offs were \$28.8m compared to \$15.5m.

Securities losses in the latest nine month period of \$7.1m compared to \$3.5m in the period last year resulted in a final net earnings of \$95.1m or \$2.37 a share compared to \$82.3m or \$2.06 a share.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Thursday November 11.

U.S. DOLLAR STRAIGHTS		Issued	Bid	Offer	Day	Week	Yield
Aetna Life 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Life 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Nat. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Overseas 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Sav. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. States 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Trust 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Union 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. West 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. World 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. York 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Nat. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Overseas 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Sav. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. States 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Trust 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Union 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. West 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. World 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. York 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Nat. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Overseas 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Sav. 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. States 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Trust 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. Union 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. West 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. World 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	
Am. York 15 88/97	100	107.00	107.00	+1.00	+1.00	14.82	

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Companies and Markets. INTL. COMPANIES & FINANCE

Saab-Scania lifts interim profit as car sales boom

BY WILLIAM DUFFLOR, MORDIC EDITOR, IN STOCKHOLM

SAAB-SCANIA, the Swedish truck, car and aerospace group, increased its earnings by 28 per cent to SKR 790m (\$108m) in the first eight months of this year...

RSV coal interests hit snags in U.S.

By Walter Ellis in Amsterdam

MANAGEMENT problems in the U.S. are holding up the sale by RSV of its shareholdings in five U.S. coal mines, according to allegations in the Dutch press...

Fresh funds for Gazocéan fleet

BY DAVID WHITE IN PARIS

SAUDI ARABIAN interests are expected to take part in capital-raising exercise for Gazocéan, the French gas shipping group, following a re-organisation plan agreed last week with the Paris authorities...

banks which had agreed to take responsibility for it being under the previous scheme. The banks, which included Gazocéan shareholders, had set up a special unit to buy the Ben Franklin and relieve Gazocéan of the heavy costs it was incurring...

Holmens ahead at eight months

BY OUR STOCKHOLM CORRESPONDENT

HOLMENS BRUK, Europe's largest newsprint manufacturer, more than doubled its pre-tax profit from SKR 58m to SKR 127m (\$17.4m) in the first eight months. Sales advanced by 11 per cent to SKR 1.68bn (\$230m)...

Use of production capacity was lower in the first eight months than in the corresponding period last year because of falling demand for newsprint and catalogue paper. In July, Holmens completed a one-for-three rights issue, increasing share capital by SKR 83m and adding SKR 20.7m to reserve funds...

Modest rise in earnings at Tasek Cement

By Wong Sulong in Kuala Lumpur

TASEK CEMENT, Malaysia's second largest cement producer, has reported a 10 per cent rise in after-tax profits to 15m ringgit (U.S.\$7.6m) for the year ended June. The final dividend is 10 per cent and the company is also making a one-for-two scrip issue...

Weak textile demand hits Toray six-month results

BY OUR FINANCIAL STAFF

TORAY INDUSTRIES, the major Japanese synthetic fibre producer, has suffered a poorer first half performance than expected. Sales for the six months ended September 30 are likely to turn out at ¥273bn (\$1.09bn) compared with ¥290bn forecast earlier and ¥273.1bn reported a year ago...

Revenue up at Valmet

By Lance Keyworth in Helsinki

VALMET, the state-owned engineering and shipbuilding group, increased net sales in January-August by 12 per cent to FM 3bn (\$653m) on the basis of the results to date and the order backlog for the last third of the year, it would seem that the result for 1982 as a whole will be an operational balance. Valmet should move into the black in 1983, compared with losses of FM 168m in 1981...

INTERNATIONAL APPOINTMENTS

New president for St. Joe Minerals

Mr James L. Broadhead has resigned as president of ST JOE MINERALS CORPORATION, a unit of Fluor Corporation, New York. Mr John A. Wright has been elected to succeed him. Mr Wright was executive vice-president responsible for St Joe's domestic metals group, St Joe International metals operation, and mining and exploration activities...

of business development. He is based at El Monte, California. The company has named Mr John D. Patton director of business development, all acid gas production facilities, based in Houston. Mr Donald E. Lyons has been elected vice-president in charge of the power systems group of COMBUSTION ENGINEERING INC. He succeeds Mr Howard M. Woterson as chief executive who will serve as group chairman until his planned retirement next April...

GENOSENSCHAFTLICHE ZENTRALBANK AKTIENGESELLSCHAFT Vienna U.S. \$40,000,000 Floating Rate Notes Due 1983 For the six months 13th October, 1982 to 13th April, 1983 the Notes will carry an interest rate of 11 1/2 per cent per annum.

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Ann Charters in Seoul looks at the problems encountered by foreign investors

South Korea acts on joint venture friction

SOUTH KOREA'S push to attract foreign investors has fallen on hard times. So far this year the country has achieved only one-third of its 1982 investment target of \$300m, partly because of the worldwide recession but also because of the well publicised friction between some foreign companies and their Korean partners.

Dow Chemicals is the latest addition to the list of foreign investors selling or closing their Korean operations. Others included Control Data, the computer company, Searle, the drug maker, and Gulf Oil, all of the U.S.

Sensitive to the negative impression that unhappy investors generate, the government has appointed a multi-ministerial committee to deal with the foreign investment environment. Chaired by Dr Kim Chan-Yin, assistant minister for economic coordination in the Prime Minister's office, the committee has taken on the Dow case and another joint-venture dispute between Searle and Keunwha Pharmaceutical which had been growing increasingly acrimonious and had already resulted in six court cases.

With the Searle dispute basically a private matter over financial affairs and management, the government did not have any reason to become involved, according to Dr Kim.

except that a prolonged conflict between the partners could only work against the interests of the country in promoting foreign investment.

Without judging the merits of either Keunwha or Searle's position, an agreement was reached that, as the partners could no longer get along, they would each withdraw one-quarter of the capital of the joint venture and Keunwha would buy out Searle's remaining shares. Searle, which had invested \$3m in the joint venture, plans to join with a new Korean partner and has requested the Ministry of Finance's approval to set up a pharmaceutical company with an infusion of \$5m in new capital.

To insure that no more problems crop up, the arbitrated disengagement of the two partners who worked together as agent and supplier for six years prior to forming Keunwha-Searle two and a half years ago, is being supervised by Dr Kim.

But the question arises as to what other foreign investors can learn from Searle's experience, since many, but not all, problems foreign investors have in Korea seem to originate in joint ventures where western managerial approaches and Korean traditional business conduct meet head on.

One lesson is that starting up a new company is preferable

to buying into an existing company with its traditional ways. D. K. Kim, president of Keunwha Pharmaceutical Company, admitted he might have felt differently about foreign management procedures and approaches to the company's clients if they had not occurred in the company his father founded 20 years ago and if the ranking of the company in terms of sales had not fallen

The Korean Government's opportunities for foreign investment favour those companies willing to set up 50:50 joint ventures, which Dr Kim describes as the most viable type. In his view, a joint venture is essentially a marriage between the foreign partner with technology, capital and experience in overseas markets, and the local partner's knowledge of the consumer, market, labour force, and Government. Some foreign and Korean partners have made the arrangement work while others find it rough going.

Generalisations on the reasons for foreign/Korean difficulties in doing business together start with the language, but quickly move on to cultural differences and personalities. Few foreigners make an attempt to speak Korean and just because English is spoken does not imply that communication takes place.

As one foreign official with years of experience in the Far East explains, "when some Korean businessmen speak English, it means they are modern, not western." Those unaccustomed to working with westerners, for instance, cannot understand why foreigners are always accompanied by lawyers that ask so many questions. Others are reluctant to have foreigners looking over their shoulders at what they, as the local population, should know how to accomplish.

A western businessman working in a large joint venture described the Korean staff as brilliant, even strikingly innovative, with equipment and technology which was totally

new to them, but bound by 5,000 years of history when it comes to financial matters and business practice.

A Korean who often finds himself offering advice to joint ventures thinks that because of the suffering the country has undergone, first with the Japanese occupation and then with the Korean war, the well-educated and proud populace tends to think more in terms of black and white—if not a friend, then an enemy. Another foreign businessman thinks difficulties exist because of arrogance on both sides.

Whatever the rationalisation or explanation for the difficulties, the slow recovery of the Korean economy has probably exacerbated many problems that companies lived with when business was brisk.

Some government officials admit that foreign investors can encounter bureaucrats who cannot be said to be in a like mind as to the importance and necessity of foreign investment.

A senior government official said that efforts are under way to educate mid- and lower level government officials.

Changes in the approval procedures for technology licensing agreements, for example, are being made. More areas are to be made available to companies with foreign shareholders and some procedures are to be amplified or even deleted.

If foreign companies have fewer reasons to get caught up in red tape and if some of the knottier problems with existing investors can be solved, then the climate for foreign investors could improve.

Dow sells to local group

DOW CHEMICAL has agreed to sell its basic chemicals assets in South Korea to the Korea Explosives Group for \$80m, Pauls Betts reports from New York.

The assets include Dow's entire shareholding in Dow Chemical Korea and in Dow Pacific Chemical Corporation. The sale of the shareholdings has received South Korean government approval.

As part of the transaction Dow has offered to provide continued technical support to the two companies and will maintain its trading operations in South Korea at the same time as seeking opportunities to expand its specialty chemical business there.

The agreement follows efforts by the South Korean government to restructure the country's petrochemical industry. Dow's original proposal to merge Dow Chemical Korea and Korea Pacific Chemical Corporation was re-

jected by the latter's board. Dow controls 100 per cent of Dow Chemical Korea and 50 per cent of Korea Pacific.

Dow Chemical Korea ran up losses of \$42m for 1980 and 1981 together and the joint venture losses of \$18m. The deficits for the first half of this year were \$3m-\$4m and \$1m respectively.

The U.S. company blamed the losses on the poor state of the world chemical business but also on the inefficiency of the Korean operations. Dow believes a contributing factor has been the lack of experience of the Korean directors and officers. The proposal to merge had increased the friction between the joint venture partners over such matters as style of management.

The new owner of the businesses, Korea Explosives, is a group with wide ranging interests from overseas construction to petrochemicals and engineering.

Wide support for Tokyo IBF

BY RICHARD C. HANSON AND ALAN FRIEDMAN IN TOKYO

A PRIVATELY sponsored mission says there is widespread support in the U.S. and Europe for the creation of an international banking facility (IBF) in Japan.

The group, led by Mr Takashi Hosomi, a former vice-minister of Finance, toured 15 such offshore centres around the world last spring. The mission's report makes no attempt, however, to float a concrete proposal for such a market in Japan.

A government official involved in drafting plans for a centre emphasised that there is widespread support, in principle, in Japan. But advocates have not yet satisfied the misgivings of opposing financial institutions such as long-term credit banks, and, more importantly, the Bank of Japan, the central bank.

The mission was composed mainly of bankers and securities industry representatives, including bankers whose institutions are strongly against the idea.

Its main purpose appears to have been to bring the offshore question into clearer focus. If a consensus can be reached the earliest possible date for the opening of a Tokyo market would be in two to three years' time.

The report quotes directly from Mr Beryl Sprinkel, U.S. Undersecretary of the Treasury, as supporting the establishment of a Japanese international banking facility (IBF). U.S. and British banks are also cited as supporters.

Officials in other offshore markets were said to be positive, though other main Asian markets are apparently urging a cautious approach to avoid disturbing existing relationships in the region.

The report touches on most of the major objections being raised in Japan to an offshore centre. The group, for example, found no evidence that "leak-

age" of capital between domestic and offshore markets was a problem in New York, which began IBF operations last year.

Japanese banks, which lack an offshore centre at home, are the biggest single foreign group in the New York market, the report comments.

Opponents of a Japanese IBF argue that a gradual liberalisation of the still rigid domestic financial system would be preferable to creating a separate "free" market. Finance Ministry officials in favour of the idea are convinced that it would be better to monitor the growth of the use of yen in international transactions in a Tokyo market. That the yen is becoming more "internationalised" is considered inevitable.

Onstanding medium-term foreign loans (for longer than one year) amount to around \$45bn in dollars and a further \$10bn in yen syndicated loans.

Japan seeks more foreign loan data

By Alan Friedman

THE JAPANESE finance ministry has told commercial banks it will require quarterly reporting on short-term bank lending to foreign governments and their agencies. The banks already report to the ministry on medium and long-term foreign loans.

The ministry calculates that Japanese banks have around \$34bn in outstanding dollar loans abroad. Total outstanding short-term yen loans to foreign borrowers amount to \$700m.

Onstanding medium-term foreign loans (for longer than one year) amount to around \$45bn in dollars and a further \$10bn in yen syndicated loans.

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IBJ The Industrial Bank of Japan, Limited London Floating Rate Certificates of Deposit \$10,000,000 due October 15th 1984 For the six months October 13th 1982 to April 13th 1983 the C.D.'s will bear an interest rate of 11 1/2% per annum. Agent Bank Samuel Montagu & Co. Limited

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New UAE law prescribes local control of companies BY PATRICK COCKBURN IN ABU DHABI
A MAJORITY share in all companies in the United Arab Emirates must in future be owned by local citizens under a law approved by the UAE Cabinet this week. The law brings the Emirates into line with legislation in other Arab oil producers on the western side of the Gulf.

Dhabi where insurance for the public sector, and private companies engaged in public sector projects, may be as much as 70 per cent of total insurance business in the Emirates, a local insurer said yesterday.
The new company law, which has 325 articles, says that companies must have one or more national partners whose stake is not less than 51 per cent of the capital of the company. This is in keeping with a new law on commercial agencies which allows only UAE citizens and their companies to act as agents.
Over the last year there has been a shift in the Emirates towards bringing business more closely under the control of UAE nationals. Under the new company law it appears that foreign companies will only be allowed to have representative offices and that they will only be able to engage in business locally if they are 51 per cent owned by nationals.
Because the new law is federal legislation it will apply to all the seven Emirates in the UAE, including Dubai and Sharjah which previously had a more liberal attitude towards foreign companies than elsewhere in the Gulf.
The commercial agency law, to which foreign companies must comply by next February, restricts the ownership of agencies to nationals. Even Bahrainis, despite coming from a member of a Gulf Co-operation Council state, are having to give up their agencies. A number of cases foreign companies have signed management contracts with their new local agents but many are unclear about how their new status will affect them.
The company law approved by the UAE Cabinet in Abu Dhabi, for the first time regularises the formation and conduct of companies in the UAE. It will also make it considerably easier to form a limited liability company.
The Cabinet also approved a new insurance law. If this is in the same form as draft legislation it will limit all government business to companies wholly-owned by nationals. This is already the practice in Abu

The Industrial Bank of Japan Finance Company N.V. U.S. \$50,000,000 Guaranteed Floating Rate Notes Due 1988
In accordance with the terms and conditions of the Notes and the provisions of the Reference Agency Agreement between The Industrial Bank of Japan Finance Company N.V., The Industrial Bank of Japan Limited and Citibank N.A., dated October 6, 1980, notice is hereby given that the rate of interest has been fixed at 11 1/2% p.a. and that the interest payable on the relevant interest Payment Date, April 13, 1983, against Coupon No. 5 will be U.S. \$587.71.
October 13, 1982
By: Citibank, N.A. (C.S.S.I. Dept.) London, Reference Agent CITIBANK

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Companies and Markets INTL. COMPANIES & FINANCE

**A small Italian diesel maker finds favour in Russia and Japan
International ties for Ruggerini**

SOVIET AGRICULTURE, despite any appearances to the contrary, is changing, and Italy is among the beneficiaries. That, at any rate, is how it looks from the home of the Italian farm machinery industry, around Reggio Nell'Emilia on the south side of the Po valley.

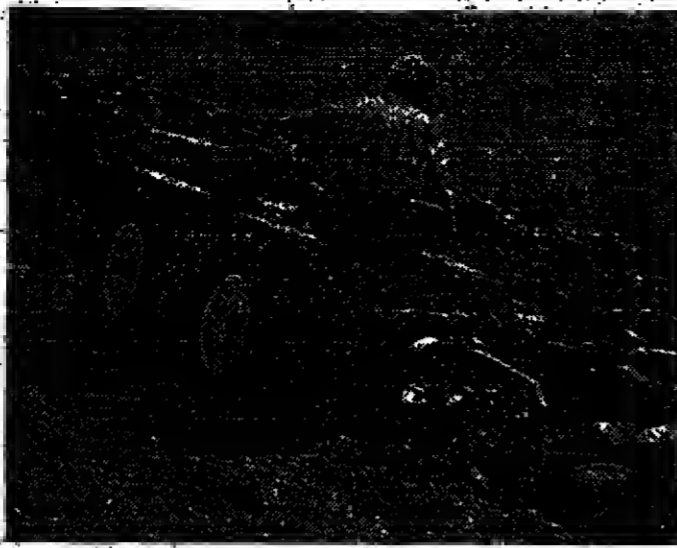
The Soviet Union is to start making small tractors and motor cultivators of the kind in which Italy is a world leader. Their first destination will be Soviet Georgia, where farmers grow fruit, vines and olives, just like their counterparts in Italy. Later they may even be sold to the farm workers whose peasant holdings round the fringes of the falling collective farms enjoy legendary productivity.

The machines will be made under licence from Goldoni, which is based at Carpi, north east of Reggio. The diesel engines for the tractors, under an agreement signed a few weeks ago, will be made in Georgia under licence from Ruggerini, a small but successful diesel manufacturer based at Rubiera, which lies between Reggio and Modena.

Ruggerini was chosen after a long examination by the Russians of companies in Japan and the rest of Europe. They chose Ruggerini's new 17 horse power, two cylinder diesel motor, of which they will be able to make 50,000 a year (more than Ruggerini's total Italian production). Of these, 15,000 will go to the Goldoni tractors, while the rest will be used for pumps and other agricultural equipment of Soviet design. The news came out just after Ruggerini had signed another important international agreement, this time with Mitsubishi Heavy Industries for a swap of diesel engine know-how and sales rights.

Yet Ruggerini is not a big company. It has only 350 on its payroll, and had a turnover of £7.7m (\$19m) in 1981. It is a family concern, and owes some of its strength to being part of the interlocking set of specialised engineering companies and highly skilled artisan subcontractors based around Reggio. But despite its new licensing agreements, the recession is forcing it to cut production and temporarily to lay off workers.

Ruggerini was founded in 1919 by Angelo Ruggerini, now aged 79, and still chairman of



Goldini tractors, and Ruggerini engines, are to be made under licence in the Soviet Union.

the company, then a mechanic and an inspired thinker with motors. His first engine was a one-and-a-half hp petrol driven model for farm use. Emilia's flat arable land is the richest farming area in Italy, and was the first to be mechanised on a large scale.

The company made its first diesel engine in 1950, an air cooled model, and it was an immediate success. Ruggerini thus secured a place at the beginning of the process by which the diesel, up to then regarded as heavy, clumsy and slow compared with the petrol engine, changed into the light, compact and often speedy affair that is a match for the petrol engine.

Ruggerini now concentrates on making small engines capable of a high rate of revolution, and having a good ratio of power to weight. Its small design team claims to have produced the first air cooled direct injection engine capable of 3,000 rpm in 1955, and the company, managed day-to-day by Angelo Ruggerini's 52-year-old son, Giuliano, says it has the best power-weight ratios in its field, thanks to the use of alloys.

The 1960s were the period of fastest expansion for Ruggerini, for this was the time of the Italian economic miracle, which among other things saw the rapid mechanisation of farming all over the country. The small machines in which Reggio specialises were in great demand and the diesel engines came from Ruggerini and Lombardini, its larger neigh-

bour and rival. Many medium-sized towns in Italy are given over to just two or three industries, based not on large companies but on many small and medium-sized ones, which co-operate with each other as well as compete against each other. The system has been called "economy of scale at the level of the system rather than the company", and to succeed, every concern has to know the strength and specialisations of every other.

According to Giuliano Ruggerini, this explains the advantage that his company and its main Italian rival have over foreign engine manufacturers in supplying the local machinery industry. "Other countries' diesels may often be just as good, but they don't have the entrée here that we have," he says. Hats of West Germany and Pelter of the UK are Ruggerini's main foreign competitors.

Ruggerini, which about 12 years ago moved out of the workshop in which it was founded, made 40,000 engines last year. Of these 24,000 were for farm use, and all but 5,000 of them went to Italian companies, the rest being exported directly. The company reckons that about 60 per cent of what it sells to Italian customers is then exported. The rest of its output is for road vehicles and for boats.

Ruggerini engines are also made under licence in Greece, Spain and Brazil. The importance of the licensing deal with the Soviet Union lies partly in the recognition afforded to the

company, and partly in what it could lead to next: it will not give employment in Italy, but there is an unexpressed hope that the Soviet factory may not be able to meet demand and will in due course turn to Italy for components and, even, motors.

Though Giuliano Ruggerini says the company has never made a loss, and that it made profits before depreciation of about £2m (\$1.4m) last year, the search for new sales outlets is becoming urgent. The recession is now hitting the Italian farm machinery industry hard. Tractor sales were down 14 per cent in the first eight months of this year, and sales of motor axes, cultivators and mowers were down by between 19 and 25 per cent.

The Italian market is down sharply, because of high interest rates and a slower rise in farm prices than in inflation. Now there is a worsening downturn abroad, especially in the formerly strong Arab countries. Ruggerini has had to freeze recruiting and to cut its staff from 400 to 350 in about a year. It will be laying off manual workers for one week in four this autumn, now that the traditionally strong summer season is over. But the main burden is falling on the company's 600-odd "external employees." Like most Emilia engineering companies, the manufacture of three-quarters of the concern's components (half by value) is farmed out to little, family businesses.

Ruggerini is better placed than many other Italian companies because it has always been self-financing.

All these factors make Ruggerini confident about weathering the recession. It is also diversifying away from farm machinery, and putting more emphasis on road vehicles. It is supplying engines for new diesel powered light cars and off-the-road vehicles which are becoming more popular in Italy.

It also believes it is forestalling possible competition in its part of the market (up to 60 hp) from the Japanese diesel industry. Japan has concentrated on water-cooled diesels while Italy has stuck mainly to air cooled. The agreement with Mitsubishi provides for Ruggerini to make Mitsubishi water-cooled engines in Italy for the Italian market, with Mitsubishi making Ruggerini's air-cooled motors and selling them in the Far East.

James Buxton

This announcement appears as a matter of record only.

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August 10, 1982

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August 1982



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a wholly-owned subsidiary of

Tenneco Inc.

has sold

Bush Boake Allen

to

Union Camp Corporation

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Incorporated

October 5, 1982

Tenneco Inc. has sold its Bush Boake Allen division, a worldwide manufacturer and marketer of flavours and fragrances, to Union Camp Corporation.

Morgan Stanley acted as financial advisor to Tenneco Inc. in this transaction. Morgan Stanley helped to design a marketing program, identified and contacted potential purchasers and assisted in negotiations which led to a definitive agreement to sell the division.

WORLD STOCK MARKETS

Early profit-taking on Wall St

AFTER surging ahead for nearly a week on falling interest rates, Wall Street had profited with a good deal of profit-taking yesterday morning and made a mixed showing at mid-session after heavy two-way trading.

Most of the weakness was in the recently favoured glamour and blue chip issues. The setback came despite a reduction in the prime interest rate by one percentage point to 12 per cent, the lowest level in more than two years.

The Dow Jones Industrial Average, which had soared more than 100 points in the past four business sessions, was 1.48 easier at 1,001.31 at 1 p.m. However, the NYSE All Common Index was 1.44 higher at 577.15.

Trading volume amounted to 87.87m shares, but was below Monday's 1-p.m level of 96.26m. Heavily-traded American Telephone and Telegraph received 11 to 58 1/2 on more than 700,000 shares.

Johnson and Johnson, also active, surrendered a point to \$42. The pharmaceutical concern continues to suffer from the repercussions of the deaths linked with cyanide contaminated Tylenol.

Pfizer fell 1/2 to \$78. The company's "Vigine" eyedrop was removed from store shelves in Colorado after it was found contaminated with hydrochloric acid.

De Poot gained 1/2 to \$88 despite a prediction of lower third-quarter profits. THE AMERICAN SE Market Value Index was up 2.59 more at 306.85. Volume 1.1m shares.

Canada Stocks were up sharply of mid-session yesterday as the market tried to match the advance made by New York stocks on Monday, when the Canadian market was closed for this edition.

Closing prices for North America were not available for this edition.

The Thanksgiving Day holiday, The Toronto Composite Index was up 62.9 at 1,780.7 on heavy turnover of 7.6m shares. Gains outpaced falls by eight-to-one. Metal and Gold stocks were particularly strong.

The Metals and Minerals index rose 98.8 to 1,645.9. Oil and Gas 81.9 to 234.7, and Gold 20.5 to 2,502.9.

The further overnight upsurge on Wall Street, a recovering yen against the U.S. dollar and falling U.S. interest rates sparked off a fresh sharp rally on the Tokyo market early yesterday. However, gains were trimmed late in the session due to active profit-taking in response to a local news agency report that Prime Minister Zenko Suzuki will shortly resign to resign as president of the ruling Liberal Democratic Party.

Following the holiday-long weekend, the Nikkei-Dow Jones Average started the week with a rise of 120.82 in the first hour of trading yesterday. It later receded to close 55.15 up on the day of 4,133.23. The Tokyo SE index finished at 3,820.15 higher at 55.35.

Trading was active with volume reaching 550m shares. Computer makers maintained early gains, with Hitachi adding 1.25 to ¥2,000. Y22, Toshiba Y14, at ¥359 and Nippon Electric Y27, at ¥230. Y30 to Y1,230, but Toyota Motor lost ¥15 to ¥235, Ricoh ¥18 to ¥710 and Sharp ¥20 to ¥1,120.

Germany Domestic and foreign buying pushed most shares further ahead in lively trading in response to falling interest rates.

Paris Bourse prices displayed a firmer tendency, with Wall Street's very strong showing aiding sentiment. Analysts, however, noted that buying interest was rather restricted, the market somewhat unnerved by official statements indicating that a prolonged period of price restraint will remain in place in France after the current wage and price freeze ends this month.

Advances led declines by 92 to 63 in the French session.

Hong Kong The market fell afresh initially, still depressed by reports that Peking officials had said that China intends to resume ultimate control over Hong Kong with some British experts perhaps being invited to help with administration. However, covering of short positions

and the further buoyant performance on Wall Street overnight, The Commercebank index climbed 8.4 more to 728.9. Brokers said the market hopes to ignore discouraging economic indicators and predictions and concentrated on such favourable factors as falling interest rates and ample liquidity. However, many investors finished below the day's highs after late profit-taking set in.

Softening interest rates helped Bank stocks in particular to higher-than-average advances against Machine Makers and Plant Engineering companies were also among the favourites.

Deutsche Bank closed DM 440 on its day's high of DM 271. Commercebank gained DM 2.96 at DM 130.90 and BEF Bank DM 3 at DM 212.50.

Among Machine Makers, Linde featured with a rise of DM 9.50 to DM 150. In Electricals, Siemens closed DM 1.70 higher at DM 250.30 after touching DM 252.

The initial rise came on strong overnight trading in Australia stocks and 2 backing up unfilled orders on overseas accounts. A short period of undecided dealings was soon followed by waves of profit-taking which helped boost dollar volume well above recent averages.

Sellers were made nervous by fears that the resignation of Industry and Commerce Minister, Sir Philip Lynch, would prompt Prime Minister Fraser to call an early election, while others were happy to have the opportunity to put some hard cash in their bank accounts.

The wider swings were in resource stocks. The industrial groups, the late starters in the recent market rally, mainly continued to gain ground, however. The better groups were Transport, Building Material Supplier, and Chain Retailer stocks.

Companies and Markets

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, Oct. 11, Oct. 12, and Oct. 13.

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Large table of international stock market data, including sections for CANADA, DENMARK, HOLLAND, AUSTRALIA, JAPAN, GERMANY, SWEDEN, SPAIN, HONG KONG, SINGAPORE, SOUTH AFRICA, BRAZIL, and SWITZERLAND.

Base values of all indices are 100 except Australia All Ordinary and Metals-500, NYSE All Common-50, Standard and Poors-100, and Toronto-1,000; the last two figures including bonus shares.

Financial Times, London, October 13, 1982. Source: Reuters, Bloomberg, etc.

FINANCIAL TIMES SURVEY

Wednesday October 13, 1982

MANCHESTER INTERNATIONAL AIRPORT

Improved long-haul capability

BY MICHAEL DONNE, Aerospace Correspondent

WITH THE recent opening for operational use of the new 800-ft, 58.8m extension to the single runway at Manchester International Airport, bringing the available length to 10,000 ft, a new era for long-haul international services at the airport is inaugurated.

The extension will enable airlines to make longer take-offs, especially the heavier wide-bodied jets such as the Boeing 747 Jumbo and the Lockheed TriStar and McDonnell Douglas DC-10. These higher maximum take-off weights in turn can be used by the airlines in the form of greater fuel loads, to enable longer distances to be flown or to carry bigger passenger and cargo loads, or a combination of both.

Thus one-stop operations with Boeing 747s now become possible between Manchester and Australasia and points in South-East Asia, the Far East and Pacific Basin areas. Non-stop operations between Manchester and the cities of the North American West Coast such as Vancouver, Seattle, San Francisco or Los Angeles also become possible, as do non-stop flights to the Middle East and the Indian sub-continent.

The Manchester International Airport Authority (MIAA) is now conducting a major worldwide sales campaign to tell airlines precisely what has been done at Manchester and to encourage them to introduce services from that airport. Airlines in India, South-East Asia, the Philippines, Japan

and Australia are all being wooed by the authority and it is hoped that in the not too distant future new services will be introduced. Under the recent Anglo-Australian revised air agreement, Qantas, the Australian airline, was given rights to fly to and from Manchester and it is a logical target for the airport authority's campaign.

The long-term value of this kind of development to a city like Manchester is probably incalculable. Any airport is only as good as the operational capability it can offer to the airlines. It is up to the airlines themselves to decide what air services are justified by the facilities offered and by the strength of market demand.

What cannot be in doubt, however, is that without a major airport of the size and capabilities now offered by MIAA, the entire North-West region, and indeed much of the North of England itself, would be the poorer.

Mainstream

The fact that the airport exists, and is being consistently expanded, will do much to improve the overall economic climate in the North and North-West in the years ahead. To be without air transport, either now or any time in the future, would be to opt out of the mainstream of economic progress. Equally, to be offered inadequate air transport—either too limited runway capacity or too limited terminal facilities

so that the airlines felt constrained in the services they could offer—would be just as damaging economically.

Even with the longer runway, it is already clear that further expansion of the other facilities is necessary as a result of the growth that has occurred in recent years.

This steady growth is why MIAA has consistently followed an expansionary path. Over the post-war years the growth of the airport has been rapid; indeed growth in recent years has been faster than that of most other airports in Western Europe.

This led to the Government's decision to designate the airport in its White Paper on Airports Policy in 1978 as a major Category A gateway airport to the UK. Passenger growth subsequently, in fact, has even exceeded the forecasts laid down in the White Paper.

From a total of 2.54m passengers in 1972, for example, the expansion has been such that in 1981 over 4.87m passengers were handled (over 4.72m terminating passengers and the rest in transit), while because of the sustained continued expansion, in the first nine months of this year it is certain that the 1982 total will be over 5m.

Freight traffic, however, has been more variable, largely because of the influence of the economic recession on industry in the North and North-West. Growth in freight traffic fell off after the peak of 46,255 tonnes

was reached in 1974 and by 1981 the total had fallen to 32,535 tonnes. There is every reason to hope, however, that as and when the recession ends, this figure will rise again swiftly.

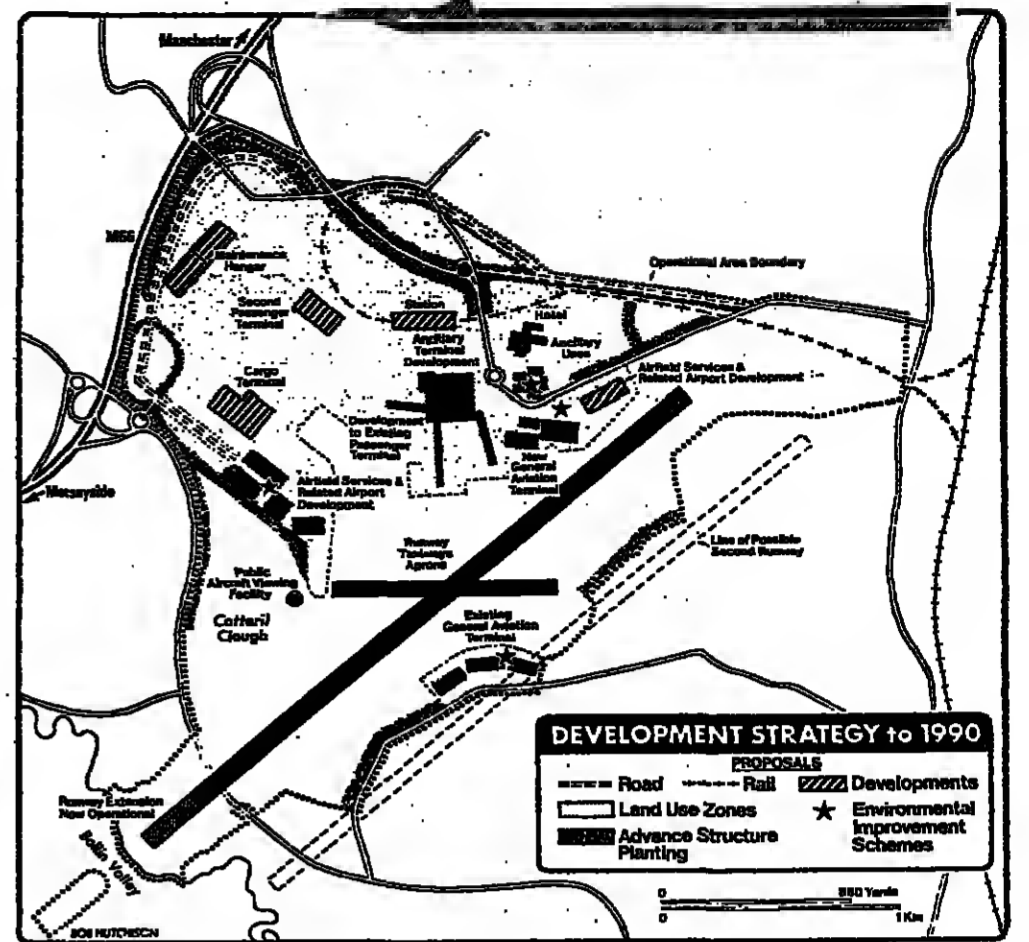
For Manchester has within its "catchment area"—a radius of some 75 miles—some 20m people and at least 50 per cent of the country's manufacturing output. It is in an excellent position relating to the motorway network, with direct links not only to other major industrial areas such as the Midlands and the North-East but also to some of the country's finest scenic and other tourist attractions such as the Lake District.

The MIAA's expansion plans over recent years have included the doubling of capacity in the passenger terminal buildings to cater for up to 5m passengers a year, with accompanying extensions to the control tower, the departure and transit lounge areas, the associated aprons and taxi-ways, and the construction of a multi-storey car park with 2,500 parking spaces.

For the longer term the MIAA is now forecasting that the number of terminal passengers using the airport (that is, excluding transit passengers) will amount by 1990 to somewhere between 7m (at the lowest estimate) and about 11m a year (at the most optimistic), of a growth rate through the 1980s of between 4.5 per cent and 9.8 per cent a year.

Clearly, the difficulties of forecasting ahead in a period of

Manchester International Airport, third busiest airport in the UK after Heathrow and Gatwick, is preparing for an even more active future, with development plans worth over £100m likely to be implemented through the 1980s, including the recently opened extension to the runway.



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recession have resulted in a wide spread of estimates but in order to be able to provide a reasonable basis on which to conduct detailed planning the MIAA is taking a figure of 9.25m a year by 1990, representing a growth rate of about 7.8 per cent a year.

Expansion

The extensive developments that will be required to gear the airport to this expansion in traffic are likely to cost well in excess of £100m, besides the £8.6m already spent on the runway extension and the earlier outlays of over £13.5m on extensive improvements to the runway. The latter included "ironing out" a troublesome hump that was a legacy of hasty war-time development, together with widening the runway along its entire length, resurfacing, improvement to lighting and other facilities and improving and extending taxi-ways and providing a high-speed aircraft turn-off.

Together with the 800-ft extension now opened, which

has involved major engineering works, including building up land out into the valley of the River Bollin, the aim is to ensure that the airport will be capable of meeting all foreseeable developments in aircraft design over the remaining years of this century. These include the possibility of enlarged and heavier versions of the Boeing 747 Jumbo jet (such as the 500-plus seater Extended Upper Deck version, now in manufacture by Boeing for a number of airlines) eventually using Manchester.

At this stage the construction of a second main runway is not definitively planned, although the possible line of such a runway is being safeguarded in the authority's strategic planning.

It is impossible for any airport authority to state categorically at this time precisely what facilities will be needed, say, in the early years of the next century, although in broad terms it seems clear that aviation expansion will continue. Beyond safeguarding the possible eventual line of a second runway there is no point

in seeking to develop it until the demand clearly materialises.

The plans for the development of the airport through the 1980s include the provision of additional roads; the construction of a second passenger terminal building, together with improvements to the existing terminal; developments of a new cargo terminal; provision of new aircraft maintenance and associated facilities; a new catering commissary; an aircraft wash-pad and engine testing area; improved aircraft manoeuvring areas and aircraft hard-standings (so as to increase the efficiency of aircraft movements between the existing runway and the passenger and cargo terminals); a new general aviation terminal and additional car parks as necessary.

Also in the plan is the provision of a rail link from the Manchester-Willmslow (via Styal) line into the airport operational area. This link will consist of a loop line and will include a station to be located to the north of the existing

passenger terminal. This will enable the airport to be served by British Rail Inter-City trains and thus allow it to be included in main line services. In addition, proposed improvements in the fallway network near Manchester City Centre will allow services from the North West region to travel directly into the airport.

The airport authority has been examining the provision of this link jointly with British Rail. The proposal is to be included in a Bill to be presented to Parliament by British Rail later this year, with the construction of the link starting towards the end of this decade.

The airport authority is conscious of the fact that these developments, which will be timed according to demand, will have a significant impact on the area in environmental terms. To meet this it is intended to undertake extensive landscaping and tree-planting to enhance the visual aspect of the airport's immediate surroundings, as well as to mini-

CONTINUED ON NEXT PAGE

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From the very beginning, in the 1930's, Manchester International Airport has looked to the future. Grown and developed to keep pace with advancing technology. Our new runway extension is a prime example of this pioneering spirit.

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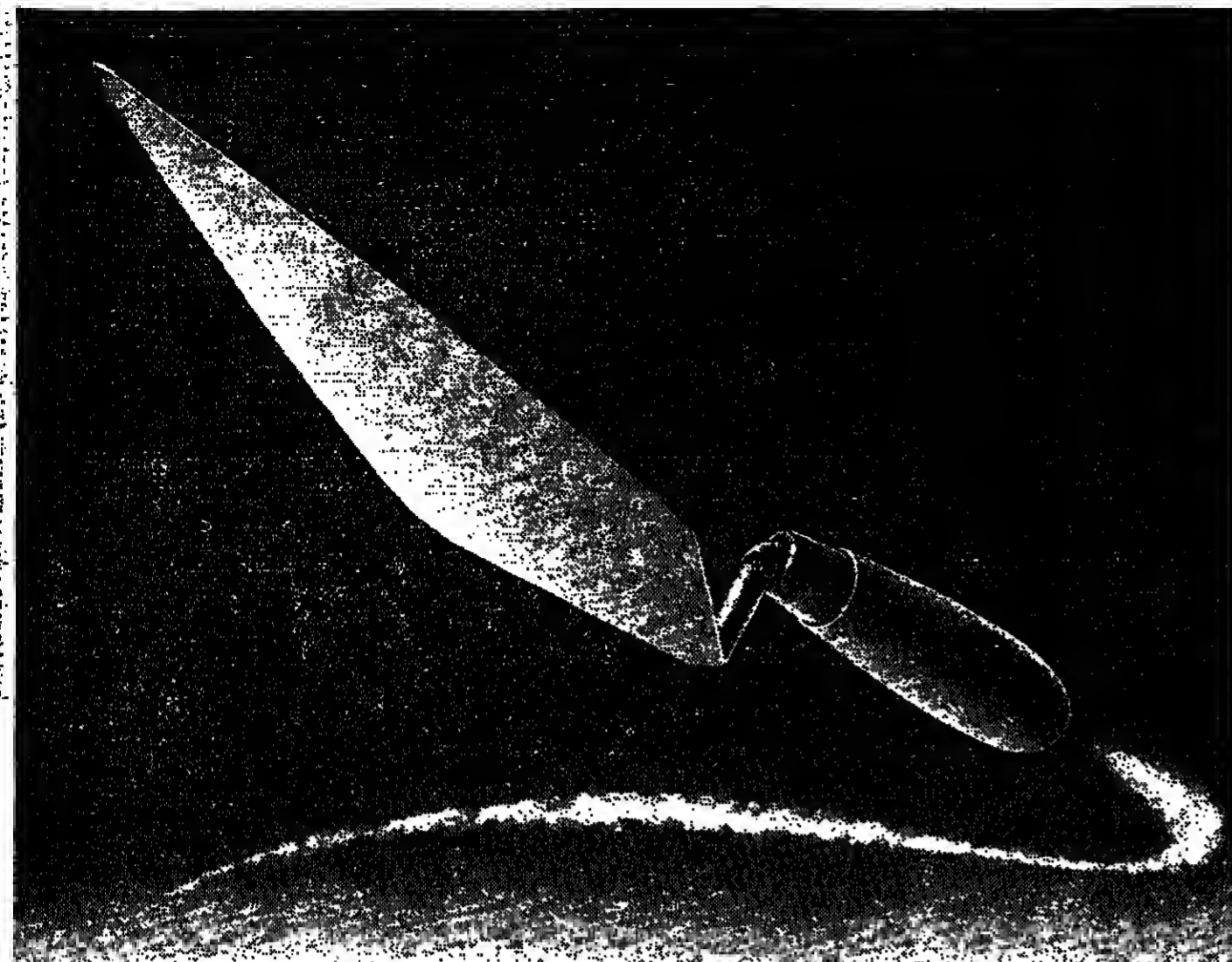


MANCHESTER INTERNATIONAL AIRPORT

MANCHESTER INTERNATIONAL AIRPORT II



The apron at Manchester Airport is always busy, as this scene indicates, with both scheduled and charter aircraft standing at one of the passenger piers



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Or, for Overseas: Ron Venus, Taylor Woodrow International Limited, Western House, Western Avenue, London W5 1EU. Tel. 01-997 6641 Telex. 23593

Assured of major role in UK for years to come

MANCHESTER is now the third largest airport in the UK after Heathrow and Gatwick. Annual passenger volume was over 4.7m in 1981 and is likely to exceed 5m this year. Traffic is rising at an annual rate of close to 11 per cent, ahead of Gatwick and well ahead of the growth rate of Heathrow.
Manchester is thus assured of a major role in the overall UK airports pattern for many years to come. Indeed it is difficult to see how any other UK airport, outside Heathrow and Gatwick, can usurp its position. Even if the development of Stansted, in Essex, is eventually approved by the Government as the third major airport for London (and this is still subject to the current Public Planning Inquiry), it is likely to be many years before it can reach its planned development potential of 15m passengers a year, by which time Manchester is likely to have exceeded that total.

Manchester, therefore, has a unique position in the North. By the end of this decade its total annual passenger traffic volume is likely to be about 10m, and be rising further (the rate of growth, of course, depending on the ending of the recession and the rate of overall economic recovery thereafter).
This rate of expansion of Manchester Airport over the years ahead will depend on several factors. One is the amount of money that the airport authority spends on improving facilities to cater for air cargo and passenger growth (the recent £8.6m extension of 800 feet to the single runway is an excellent example of how to improve the image of the airport in the eyes of airline managements).

Catchment

But by far the most important factor will be the pressures generated in the airport's overall business and leisure travel catchment area for additional international and domestic air services to and from the airport. Any airport's value to the community can only be measured by the extent to which it serves the needs of that community. If the traffic is not there the most lavish expenditures on new facilities will be to no avail.
Much of the growth in Manchester Airport's traffic in recent years, while the recession has been biting into business and industrial traffic, has stemmed from the buoyancy and inclusive tour holiday and charter traffic. It is substan-

tially this type of business which is currently pushing the airport's passenger figures higher every year.

At the same time, however, the number of international scheduled air services has also expanded considerably. From about 16 foreign destinations (mainly in Western Europe but including also New York and Toronto) served by scheduled operations in 1971, the number of such destinations served in 1981 had reached 26 and has gone even higher this year.

The extent to which further destinations are added depends on traffic availability. Airlines are not philanthropic organisations. They will only introduce new international foreign scheduled air services if they can be convinced that there is sufficient traffic available to make such services pay. Thus the rate at which new short- to medium-haul international destinations are added to the list of those served from Manchester must depend upon the growth of demand, which in turn is critically dependent upon an improvement in the general economic situation.

For most long-distance international destinations passengers have in the past been obliged to make short-haul journeys either to Heathrow or to Gatwick, Prestwick, or even in some cases to the near-Continent, such as Schiphol, before interlining with their long-haul flights.
This situation is now likely to be changed radically as a result of the extension to the runway, which will make it possible for one-stop operations to many destinations in the Middle East, India/Pakistan, South-East and Australasia, as well as non-stop operations to the U.S. and Canadian West Coast.

The Manchester International Airport Authority is now conducting its own marketing campaign world-wide to educate the airlines into the new capabilities of the airport and it seems likely that as economic conditions improve Manchester will become increasingly a major hub for long-haul international flights. The existence in the North and North-West of more than 20m people many of whom have ethnic links with other parts of the world, as well as much of this country's manufacturing industry, seems likely to assure the airport of a substantial development potential in its own right, regardless of what may happen in the development of other airports elsewhere.
It is in this latter context that

the arguments now being conducted before the Public Planning Inquiry into the development of Stansted as the possible third major airport for London and the South-East should really be viewed.

Recent statements by such groups as the North of England Regional Consortium, representing local authorities and airport administrations in the Midlands and the North, have tended to indicate that any development of Stansted would divert resources and traffic from the regional airports, to their detriment.

Disastrous

This indicates a danger of over-polarisation of the situation—the emergence of a situation of either Stansted or the North. This would be not only a wrong attitude but also disastrous for the whole of British civil aviation, which is already one of the few industries with a net contribution of several hundred millions of pounds a year to the UK balance of payments.

There is an excellent case to be made for the development of air transport in the regions in their own right. The recent annual report from the Chartered Institute of Public Finance and Accountancy showed that in 1982-83 the 23 municipally-owned regional airports in the UK were planning to spend some £50m on new developments, bringing to £188m the sums already outstanding for such works.

Traffic at those 23 airports is already running at over 12.6m passengers a year, and is rising, despite the recession, at most of them, and seems likely to continue to do so. It is estimated that, by the end of this decade, depending on the rate at which the recession fades and economic recovery in the regions occurs, the overall total could have risen to at least 20m with further growth into the 1990s. Thus regional airports will be needed at those airports for as far ahead as can be foreseen.

As the BAA has pointed out, however, the development of Stansted does not, and will not, in any way deflect resources from those regional airports. The BAA will finance the development of Stansted (as it is already financing the fourth terminal at Heathrow and plans to finance the second terminal at Gatwick) out of its own internal funds, supplemented where necessary by borrowings on the open capital market to

the extent the Government may permit under plans now being considered for external financing of the BAA.

The local authorities, however, will finance their own airport growth through funds raised either internally or by Government grants or through borrowings on the open market up to the ceilings permitted by the Government's own restraints on local authority capital spending.

If the development of Stansted is not permitted by the Government, it is difficult to see how the cash that the BAA itself intends to raise for its development, from its own internal resources or by its own borrowing, could in any way be diverted to airport developments elsewhere. What is more likely is that the BAA will find other uses for that cash, in further improving, and if necessary expanding, its own airports, either in the South-East or even in Scotland. Moreover, the BAA has not turned its face against the possibility of acquiring other airports in the regions.

Centre

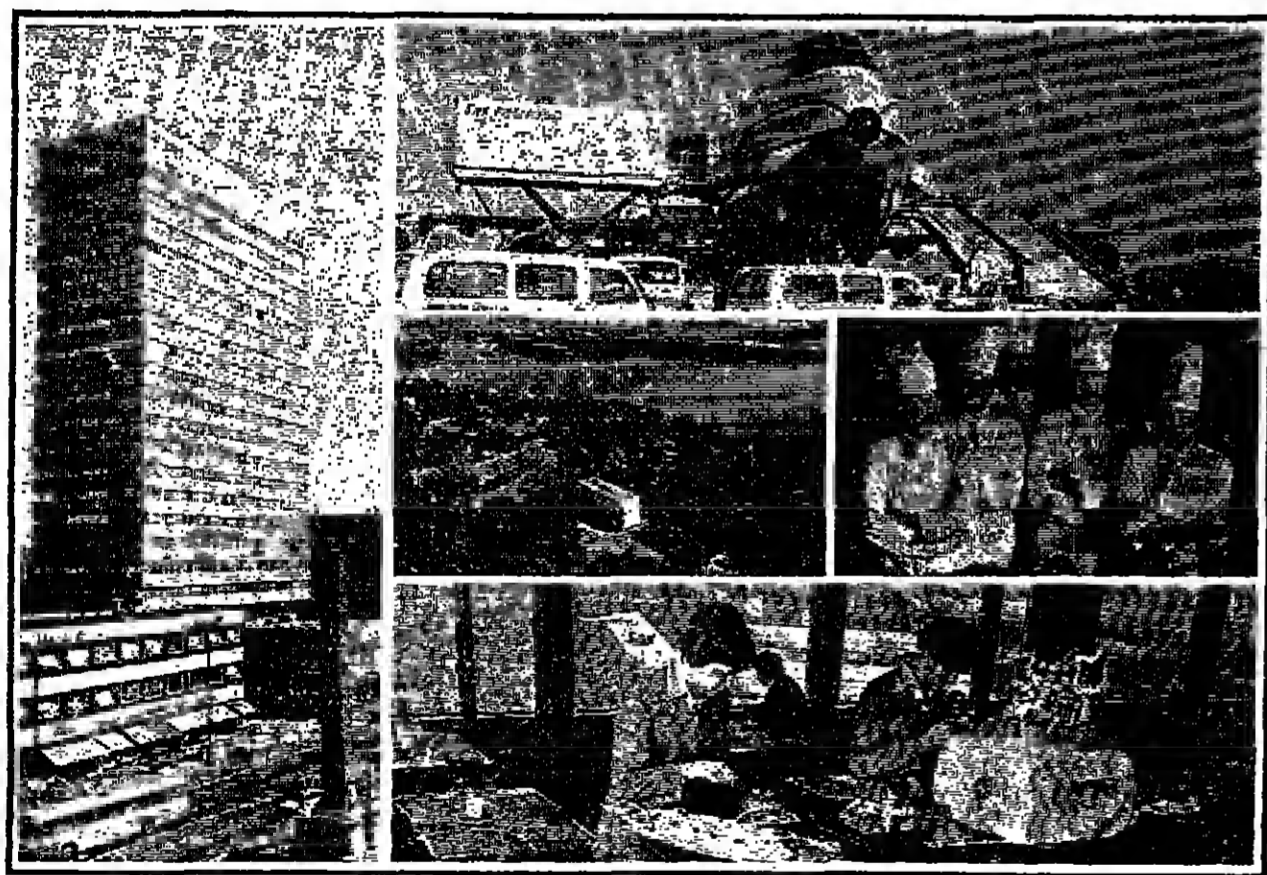
Moreover, as the BAA has also pointed out, no one can force air passengers to use airports they do not want to use. Most passengers (70 per cent of all those flying to or from the UK) go to London and the South-East (even if they also go on elsewhere in the UK) because it is the centre of business, commerce, government, culture and tourism. That is a fact of life and while it perhaps can be changed over a long period of time it is still a fact the regional airports must live with.

Passengers will go where they wish to go for reasons of their own. Airports can, and should, do all that they can to make their facilities attractive to use. Airlines can, and should, do all that they can to encourage passengers to fly with them. But at the end of the day passengers will fly when they want to fly, where they want to fly and by whichever airline they want to fly: no amount of argument claiming that the development of Stansted will divert resources from developments elsewhere will change that situation.

This fact has been given added validity by the recent decision by British Airways, notwithstanding the facilities available at Manchester Airport, to cancel services from that airport to Toronto, Edinburgh, Zurich, Geneva, Malta and Cyprus, because those operations are not profitable. It is possible that some of the routes will be picked up by independent airlines, however, who may feel that they can make them pay where BA says it cannot.

A more serious issue, and one which airport authorities in such places as Liverpool and Blackpool and other northern airports would do well to consider, is how far the extensive development of Manchester, and its associated road and rail links is already depriving them of potential air traffic.
The fact is that Manchester already has a substantial head-start over every other airport in the Midlands and the North of England. It serves a vast industrial and residential region to its own right. Its runway extension and other plans for improvements are likely to guarantee that its growth will be rapid, especially as the recession fades. Its place in the UK airports pattern is already assured and its major task now is to encourage the population that it serves to make more use of its facilities and to stimulate the airlines into doing likewise.

Michael Donne



MANCHESTER INTERNATIONAL AIRPORT 1st of DECEMBER 1982.

SAS CATERING & HOTELS take over operation of restaurant facilities in the Manchester International airport.

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CATERING. Today SAS CATERING & HOTELS run 13 flight-catering units serving more than 100 leading airlines. In the beginning of 1983 we'll be running 14 flight-catering units.

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Today we operate a number of outstanding first class airport-restaurants, cafeterias and kiosks in airports and also at horse-racing tracks and in trade-fair centers.

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SAUDI ARABIA. In 1980, SAUDIA AIRLINES decided to assign responsibility for all catering activities at the new King Abdul Aziz International Airport in Jeddah. And the choice fell upon SAS CATERING & HOTELS.

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DK-1105 Copenhagen K
Denmark
Tel: (01) 145514

Hotel Division
Svaneyveien 21
N-1330 Oslo Airport
Norway
Tel: (02) 596240

Restaurant Division
Svaneyveien 21
N-1330 Oslo Airport
Norway
Tel: (02) 596110

Division Saudi Arabia
Kristen Bernikows Gade 1
DK-1105 Copenhagen K
Denmark
Tel: (01) 145514

mise noise disturbance.

The authority's consultative document on its development strategy up to 1990 makes it clear that it intends to do all it can to minimise noise disturbance.

The control of take-off routes and the timing of flights is already extensively employed to keep noise levels down, and infringements of maximum permitted noise levels are penalised by a restriction of the offending airline's permitted night movements. New noise monitoring equipment is being installed.

Night jet movements in any case are restricted, with an ever-increasing proportion of those movements being solely available for "noise certificated quiet jets." The authority also encourages the use of the

quieter jets by granting them rebates on landing fees, subject to them being able to demonstrate their low noise levels on each flight.

Sound-proofing grants are available to householders in certain areas; and in the development plan the provision of noise mufflers for engine run-up is envisaged.

In its long-term development strategy the authority has tried to reconcile all the problems and the opportunities confronting air transport over the decade ahead.

The consultative document stresses, however, that a major constraint to future development "is the constantly changing climate in which airport development must take place.

Changes in national airport policy, in regional and national economic growth, in technology, in investment decisions by airport-related firms, all can substantially influence development initiatives at the airport," says the authority.

Therefore, the airport authority is adopting a flexible approach in its strategy for expansion in order that it can take advantage of any shifts in policy or in financial circumstances.

Thus the authority will continually review its strategy and will not hesitate to make changes in it, including revising time-scales for specific items in the development plan, if this helps to improve the overall capability of Manchester Airport through the remaining years of this century.

MANCHESTER INTERNATIONAL AIRPORT IV

Businessmen make growing use of private sector

BUSINESS executives and other travellers wanting exclusive use of their own aircraft are gradually making more and more use of Manchester International Airport, despite the effects of the fall in demand for industrial products and services.

Increasingly, business travellers with routine as well as emergency operations and special transport needs out of the airport are turning to the specialist small and light aviation aircraft offered for air taxi or general use by operators who have chosen Manchester as their UK base. This attraction to Manchester, the only international gateway airport in England outside the South-East, is partly based on its excellent transport infrastructure and the ease of contact with an area of Britain in the north-west which accounts for over half of the industrial production of the whole country.

The latest air traffic figures out of Manchester, for last August, however, show a spectacular decline in the number of movements by private aircraft. These fell by 17 per cent to 898 private aircraft movements compared with the corresponding month last year, whereas the fall in scheduled air services in and out of Manchester was a mere 1 per cent, to 3,372 scheduled air service movements.

August is a holiday month, however, and a more truly representative picture of the current state of the general aviation market based on Manchester Airport figures for the whole period from January 1 to August 31, when 7,886 private aircraft movements were recorded, an increase of 3 per cent compared with the corresponding period in 1981.

This compares with the increase of 4 per cent to 24,931 scheduled air service movements at Manchester over the same period compared with the corresponding period last year.

In terms of terminal passengers the private general aviation sector in and out of Manchester boomed in the January to August period this year, at a much faster rate than for scheduled air service passengers.

A total of 5,368 passengers based on private aircraft used the airport terminal at Manchester in the January to August

period—compared with the total of 3,456 passengers at the airport as a whole—an increase of 15 per cent compared with the corresponding period in 1981. At the same time charter traffic fell by 14 per cent, to 177,366 passengers and passenger numbers based on scheduled services using the terminal fell by only 1 per cent—to 1.3m—over the period compared with the corresponding period in 1981.

Inclusive tour operations from Manchester remained the largest source of passengers. Almost 2m, an increase of 15 per cent, used the terminals over the period compared with January to August 1981.

Despite the apparent buoyancy of private and executive flying operations from Manchester, however, one of the leading business aircraft operators at the airport, Northern Executive Aviation (NEA), has suffered a 25 per cent fall in its business over the past three years. Nevertheless, Captain David Antrobus, managing director of the company, forecast recently that his company's operations would be profitable this year as a result of increased productivity and an unrelenting search for new business.

Flagship

The company operates a fleet of 10 multi-engine air taxis for general business use and for air ambulance work. Flagship of the fleet is the 500 mph Gates Learjet 35A, with the distinctive registration mark G-LEAR.

Over a typical couple of days earlier this month the Learjet was on a mission to Tenerife one day and off to Finland the next. Some of the work involved air ambulance duties, but so competitive is the business executive aircraft market out of



Northern Executive Aviation is one of the largest air taxi (general aviation) operators in the North, based at Manchester Airport. The picture shows a line of some of the aircraft in the company's fleet; from left to right a Gates Learjet, a Piper Navajo, a Piper Aspec and, in the foreground, a Piper Twin Comanche.

Manchester that NEA is understandably reluctant to reveal more precise details of business contracts.

Captain Antrobus acknowledges that it is difficult to sell the concept of executive aviation in the middle of a recession and admits that private executive flying is a good barometer of trade and the state of the economy.

The company has tried a number of new approaches to the business, however, including a company video presentation and a visit by Captain Antrobus and his top executives to the 35th congress of the U.S. National Business Aircraft Association held recently at St Louis, Missouri. The visit was designed to help NEA sell the concepts of Manchester as an international airport for visiting business travellers, especially those accustomed to using business aircraft on a regular basis.

Crucial in the battle to win business from the industrial community of the North-West is the level of rates. NEA has kept its rates steady for two years and has started offering potential customers low-cost charter flights in its fleet of small to medium business aircraft. The company has started to make use of Prestel information services, with the aim of cutting costs by attempting to win passengers for return flights—when aircraft would

normally return to base empty. The facilities for business aircraft operation at Manchester are described by Captain Antrobus as "good," as might be expected for an international airport. However, the company is still awaiting progress on long-standing tentative plans to move business aircraft operations from their old-fashioned, draughty hangars now some distance away from the main airport complex into closer proximity with the main terminal.

The ideal would be for Manchester International Airport to build a "proper general and business aviation terminal, purpose-built and designed for attracting business traffic," Captain Antrobus said recently. This type of facility was "very sadly lacking in Britain, outside Heathrow Airport, London."

Meanwhile, the company is seeking to promote the use of general aviation aircraft and air taxis in particular as viable and invaluable facilities for the

northern business community. One of the crucial questions NEA asks its potential customers to answer is: what is the cost of a senior executive's time. Experience from the U.S., where private business flying and the use of commercial air taxis is an accepted practice, has shown that the hourly cost of top management time is regularly far in excess of the cost of a seat-on-an-executive jet.

The company cites a case study where the use of the Learjet has saved customers substantial time and money.

A northern business traveller with contracts in Denmark chartered the Learjet for a flight to Denmark from Manchester Airport. He arrived at Esbjerg, Jutland, at 9 am and left at 5 pm after a day's work "in normal office hours."

NEA says it would require three days to achieve the same results by conventional travel, using scheduled flights. Executive aircraft out of Manchester are also a valuable tool for companies wanting to transport small, high value items of cargo. On six nights a week executive aircraft carry approximately half-tons of priority freight, including computer documentation, to London at times chosen by the customer.

Lynton McLain

Greater emphasis is to be given to marketing strategy

Management team restructured

ADMINISTRATION at the airport has been going through structural changes over the past eighteen months, partly as a reflection of the traffic growth it has enjoyed and partly as a means of putting it on a better footing to market the airport.

The top of the immediate management structure—which initially involved a director with a deputy and five assistant directors responsible for administration, finance operations, development and engineering—has been pulled apart.

Its replacement starts with a chief executive and works its way down through three directors for finance and administration, operations, planning and development. There are also two functional officers—a commercial manager and a manager responsible for personnel services.

The original management framework was set up eight years ago with the creation of the Manchester International Airport Authority. The airport had been controlled by Manchester City Council but in the 1974 arrangements the Council, not without some dissent, agreed to share control with the Greater Manchester Metropolitan County. Policy direction emanates from the Airport Authority, comprising ten members from each parent authority.

Alternate

The 20 members meet monthly and the chairmanship and vice-chairmanship alternate yearly between the two councils. The land and buildings are technically held in the name of the city council, but both authorities share profits and losses equally. The authority has the power to build up reserves in its own accounts to a maximum of ten per cent of the value of assets, after which profits can be shared out.

The authority is considering for the first time a formal statement of its objectives. Apart from a general approach that Manchester should remain the main airport for the region and stay competitive, especially with the South-East, it will emphasise the need to maximise utilisation of services and provide a return to finance capital investment and dividends for the two local authorities.

The management of the airport has become increasingly complex. The authority employs 1,250 people directly—350 of them white collar—virtually doubling over the past 10 years. The workforce is almost totally unionised around half-a-dozen principal unions.

The airport employs some 5,500 in total, however, with a hundred companies, including the airlines, providing services. The authority has a monopoly on baggage and freight handling, a service which at many airports is done by contractors. Air traffic control is provided by the Civil Aviation Authority.

A number of professional services are still provided by

the two local authorities through staff based at the local authorities' own offices. The city especially provides legal assistance and the metropolitan county some financial services.

There is a trend, however, towards building up the professional services at the airport itself. This development is only in its infancy but the airport authority has been extending its architectural and valuation skills. The latter is important because the authority's management now has to deal with up to 1,000 different tenancies.

Mr Charles Bowers, the outgoing director of finance and administration, says the authority has accepted the need for good relations with users on such issues as lost baggage and car parking, as well as with the local inhabitants.

The airport authority has a good profits position in comparison with most, if not all, regional airports, a very considerable proportion of which are also profit-making.

For the last financial year the authority had a total revenue of £39.4m and expenditure of £38.8m, giving a trading surplus of £12.5m. On top of that the authority made £2.2m from bank interest and investments.

Of the £15m total £8.2m was used for debt charges and repayment of principal and £1.7m for capital schemes. This allowed the two local authorities each to take £2.5m into their coffers.

Total projected revenue for the current financial year to March next is £46.9m and the expected breakdown of that figure is in line with last year's.

This envisages for the current year 59 per cent of revenue of £27.9m deriving from direct operations—27 per cent from landing fees, 20 per cent from

baggage and freight handling, 10 per cent from passenger load supplements and a small percentage from aircraft parking.

The biggest element of commercial revenue derives from concessions—estimated at £6.9m or 15 per cent of total expected revenue. The Government will be providing some £4.1m or 9 per cent, which is really reimbursement to the authority for the cost sustained by the latter in providing policing. Car parking will provide about £2.9m (6 per cent), the rest coming from rents, tenants' charges and other services.

The biggest element of expenditure is labour costs, which run out at about 40 per cent of the £14m total. Maintenance of airport buildings and land, the cost of services and contracts are each expected to account for a fifth of expenditure. Debt financing will take

up another 11 per cent, administration charges 6 per cent and transport and plant the rest.

One big change working its way through the authority's finances is that, because of constraints on borrowing, the way it finances capital schemes is altering. In simple terms the authority has to "live" more on its revenue account.

In 1975/76 it financed schemes all by borrowing. Last year a fifth came from its own resources and this year the proportion is likely to be half.

Structural changes in management are still working their way down the system. As part of that, marketing airport services, promoting concessions and publicising its activities have been placed under one overall management umbrella. This is part of the authority's commitment to expand its commercial base.

Nick Garnett

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LONDON STOCK EXCHANGE

Continued interest rate optimism takes Gilts higher but equities lose early momentum and close lower

Account Dealing Dates
*First Declared Last Account Dealing Date
Oct 4 Oct 14 Oct 15 Oct 25 Oct 28 Oct 29 Nov 3 Nov 1 Nov 11 Nov 12 Nov 22

Government stocks continued their remorseless advance to landmarks not seen since April 1981 as interest rates tumbled both here and in America yesterday. Expectations that U.S. Prime lending rates would fall were confirmed when they were lowered from 13 to 12 per cent, the lowest for over two years, in the wake of the Federal Reserve Board's earlier stance on monetary policy, this included a cut in its discount rate to 9 1/2 per cent.

These developments further encouraged U.S. financial markets which on Monday saw the Dow Jones index cross 1,000 for the first time in seventeen months. The bond market was closed that day, but values yesterday shot up at the opening in line with general expectations.

The London gilt-edged market was compelled to extend the realignment of its yield structure to lower interest rates, the move to which started in earnest four weeks ago. Sentiment was further boosted by the authorities' stronger domestic clearing banks to reduce base rates yet again. For the second consecutive day, money market intervention rates were cut.

yesterday by amounts ranging to 2 1/2 p. Sustained investment demand from widespread sources readily absorbed profit-taking and other sales, and with supplies of Treasury 9 1/2 per cent 1988, the 27 1/2m issue of which was announced late in Monday, not available to this market until today, stock shortages remained a problem. Longer-dated Gilts soared 2 1/2 points more before the end of the day. The two convertible stocks led the shorts, higher and here, too, quotations at the end were also similarly below the best but up to 1 1/2 points higher on the day.

London equities were initially lured higher by Wall Street's continued upsurge with its accent again firmly on consumer and other recent favourite stocks. Buyers were eager from the opening, but their enthusiasm evaporated as sellers became more active at the enhanced values. The ensuing reaction was swift and with New York turning easier soon after its start yesterday, leading shares settled lower at the session.

Glaxo was among several to resist the downward pressure, consideration of the excellent preliminary statement and closed higher at 210, other constituents of the FT Industrial Ordinary share index ended marginally easier and this measure rose 2.2 down at 603.9 after recording an inter-day record high of 611 at 10 a.m.

Dealings in Costa Rica Railways were suspended with the price

at 47 1/2 pending publication of reorganisation particulars. Clive discount up A rising market of late on cheaper money hopes and in sympathy with buoyant gilt. Discount Houses were given a further fillip yesterday by an encouraging interim statement from Clive, which put on 4 to 4 1/2. Smith St. Albany rose to the same amount to 4 1/2, while Union firmed 2 1/2 more to 6 1/2. The prospect of another cut in base, leading rates dampened recent enthusiasm in the market clearing banks which closed mixed. Lloyds, however, hardened 5 to 5 1/2, and Midland, cheapened 2 to 2 1/2, and NatWest, lost the turn to 4 1/2. Elsewhere, Minister Assets firmed 2 1/2, following the interim figures, and Guinness Peat revived with a rise of 3 to 5 1/2.

Insurances passed another lively session, attracting good support on yields. Commercial Composites were particularly favoured with Royals closing 2 1/2 higher at a 1982 peak of 42 1/2 and Sun Alliance up to 47 1/2. General Accident put on 1 1/2 to 31 1/2. GEC, 2 1/2, reflecting their heavy gilt-edged portfolios. Life issues also performed well; Pearl advanced 1 1/2 more to 4 1/2, and Hambro life 1 1/2 to 3 1/2.

The jewelry retailers which staged a disappointing debut in the Unlisted Securities Market on Monday, advanced 5 to 7 1/2 compared with the offer price of 80p. Bijou Zugs of Switzerland firmed 2 1/2, while George Jewellers acquired a 2 1/2 per cent stake in the company.

Hopes that mortgage rates were set to fall soon encouraged the high flyer Barratt Developments, which touched a 1982 peak of 41 1/2 before closing a net 1/2 higher at 31 1/2. Wimpey gained 5 to 12 1/2, and Fairclough's construction 8 to a high for the year of 22 1/2. Newarthill, which gained 3 1/2 on Monday, following favourable press comment, firmed 8 more to 61 1/2, following another mention. F. C. Lillier put on 1 1/2 for a two-day gain of 20 1/2 to 120, after 20 1/2, the company has completed the £25.5m acquisition of Mollerstang Holdings. Demand in front of tomorrow's interim results prompted a gain of 4 to 23 1/2 in John Moxon, while Aberdeen Construction firmed the same amount to a 1982 peak of 25 1/2. Renewed demand in a 2 1/2 market lifted BFB 13 to 48 1/2. After opening 6 1/2 higher at 31 1/2, in the wake of Wall Street's overnight surge, ICI attracted a useful, two-way business, which touched 21 1/2 before reacting to close unchanged on balance at 20 1/2. Amersham found support and firmed 5 to 20 1/2.

Carrys higher After an uncertain start, a useful two-way business developed amongst retailers which finished with narrow mixed movements. Marks

and Spencer touched 21 1/2 before settling for a net fall of 2 to 20 1/2, while similar issues were noted for UDS, 7 1/2, and British Home, 18 1/2. Burton, on the other hand, firmed that much to a 1982 high of 26 1/2.

Interest in secondary counters was mainly centred on special situations. Market reception to the company's sugar plants. Recently buoyant Food Retailers succumbed to profit-taking, J. Sainsbury losing 7 to 43 1/2, Kwik Save 4 to 28 1/2 and Tesco a penny to 9 1/2.

Glaxo good again Buying of Glaxo continued yesterday on further consideration of the excellent annual results and proposed 100 per cent scrip issue. The shares advanced 1 1/2 to 210, after touching an all-time peak of 210 1/2. In other industrial leaders, quotations succumbed to profit-taking. Unilever cheapened 1 1/2 to 79 1/2, while Bechams eased a few pence to 39 1/2 and Fisons gave up 2 to 43 1/2, after 42 1/2. Secondary issues were featured by a fall of 1 1/2 to 41 1/2 in Office and Electronic Machines following the disappointing interim figures. The liquidation of speculative positions on fading bid hopes clipped 4 from Cope Allman, 4 1/2, while British Aerospace closed a net 2 easier at 237 1/2. Alpine, on the other hand, gained 5 to 67 1/2, after 70 1/2, in response to the higher interim earnings and encouraging statement concerning second-half prospect. The sharp contrast between the company's computer interests, Mettoy added a penny more to 21 1/2 with the Deferred 3 up to 19 1/2.

The Hunt Committee's report giving the all-clear for cable television prompted a jump of 10 pence to 107 1/2 in Select. Greenwich Cable 4 to 60 1/2, where in the Leisure sector, Riley shed 7 to 10 1/2 on disappointment with the preliminary results, while recently firm Wimble encountered profit-taking and gave up 1 1/2 to 25 1/2. Pleasurama, on the other hand, met further support and, in a thin market, put on 10 for a two-day gain of 27 to 33 1/2.

Business in Properties failed to expand, but the leaders continued to edge higher on occasional chip activity. Land Securities hardened 4 to 27 1/2, as did MEEC, to 17 1/2.

Ultramar lower After opening a shade firmer on Wall Street advances, leading Oil and Gas a reasonable two-way business before weakening late. British Petroleum ended unchanged on balance at 300 1/2, after 306 1/2, while Shell closed just 2 1/2 dearer on balance at 41 1/2, after 42 1/2. Ultramar closed 1 1/2 lower at 48 1/2.

Investment Trusts made another good showing, Continental and Industrial closed 8 higher at 31 1/2, while Broadstone, 24 1/2, and Gresham House, 12 1/2, rose around 5 apiece. Shires firmed 4 to 49 1/2 and the mid-tier statements. Akroyd and Smithers continued to

benefit from the prospect of a profits recovery following recent business turnarounds. In gilt-edged securities and rose 10 for a two-day gain of 20 to 30 1/2. Money brokers featured Mercantile House, which were briskly traded up to 47 1/2 for a gain of 4 1/2.

British and Commonwealth continued to make headway, advancing 7 more to 51 1/2, a subsidiary of the company has sold its 8 per cent stake in Jessel Toybee. Caledonia rose 6 more to 48 1/2.

Pistonnus provided the outstanding performers in a nervous trading market. Persistent and sizable Johannesburg and American buying interest saw all three of the quoted Platinums advance rapidly to close at the day's highest. Platinum rose 1 1/2 to a year's high of 25 1/2, Impala 30 to 30 1/2 and Lydenburg 12 to 16 1/2.

South African Golds and Financials continued to move erratically in the wake of fluctuations in the bullion price. The latter, which touched \$446.75 an ounce in overnight transatlantic markets, came under pressure in the afternoon and closed a net 2 easier at \$435.50, having been quoted at \$442.25 at the morning fixing.

The share market aggressively bought in the U.S. overnight, opened firmer but relinquished initial strong gains to close only a fraction up on balance. South African Financials were mixed. Anglo American Corporation edged up to a 1982 high of 75 1/2 but encountered profit-taking and closed a net 3 cheaper at 75 1/2.

London Financials made good progress at the outset but closed below the day's highs in line with the UK equity market. RTZ were finally a net 6 better at 44 1/2, after 45 1/2.

Another busy morning session in the Traded Options market saw demand well served among these stocks in issue. Although business tailed off during the afternoon, a total of 3,500 contracts were traded, comprising 2,629 calls and 871 puts. Imperial were again particularly active with 846 calls struck, 329 of which were done in the November 10c. Oils also attracted good support with British Petroleum and Shell Transport recording 300 and 208 calls respectively; the latter's October 390s closed 6 higher at 28 1/2, while the October 420s rose 4 to 7 1/2.

RISES AND FALLS YESTERDAY

Table with columns: Rise, Fall, Same. Lists various stock indices and their movements.

MONDAY'S ACTIVE STOCKS

Table with columns: Stock, No. of Shares, Mon. Change, Day's Change. Lists active stocks and their performance.

ACTIVE STOCKS

Table with columns: Stock, Closing Price, Day's Change, Stock Price, Closing Price, Day's Change. Lists active stocks and their performance.

FT-ACTUARIES SHARE INDICES

Table with columns: Index, Date, Value. Shows FT-Actuaries Share Indices for various dates.

NEW HIGHS AND LOWS FOR 1982

Table with columns: Stock, New High, Low. Lists new highs and lows for 1982.

COMPANY NOTICES

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LEGAL NOTICES

RECENT ISSUES

Table with columns: Issue Price, Amount, Date, Stock, Opening Price, High, Low, Close, Dividend, Yield, etc.

Table with columns: Issue Price, Amount, Date, Stock, Opening Price, High, Low, Close, Dividend, Yield, etc.

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INSURANCE & OVERSEAS MANAGED FUNDS

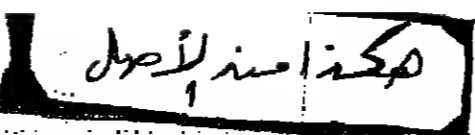
INSURANCES

Main table containing financial data for various insurance and managed funds, including company names, fund names, and numerical values.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas managed funds with their respective details and values.

NOTES section at the bottom right, providing additional information and disclaimers regarding the fund data.



INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and various manufacturing firms with their respective prices and market data.

LEISURE—Continued

Table of leisure and entertainment stocks including British Airways, British Telecom, and other service-oriented companies.

PROPERTY—Continued

Table of property and real estate investment trusts, including various REITs and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts, including equity, income, and balanced funds.

OIL AND GAS—Continued

Table of oil and gas stocks, including major energy companies like BP, Shell, and independent producers.

Advertisement for DAIWA SECURITIES, International Financier, featuring the company logo and name.

MINES—Continued

Table of mining stocks, categorized by region: Central African, Australians, Tins, and Miscellaneous.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks, including manufacturers and distributors.

SHIPPING

Table of shipping stocks, including major shipping lines and related services.

SHOES AND LEATHER

Table of shoes and leather goods stocks, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, including various local companies.

TEXTILES

Table of textile stocks, including manufacturers and retailers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks, including major media companies.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks, including related service providers.

PROPERTY

Table of property investment trusts, including various real estate funds.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land investment trusts, including various financial products.

OVERSEAS TRADERS

Table of overseas trading companies, including international merchants and exporters.

PLANTATIONS

Table of plantation stocks, including rubber and palm oil producers.

MINES

Table of mining stocks, including various mineral producers.

Far West Rand

Table of Far West Rand mining stocks, including regional producers.

O.F.S.

Table of Overseas Financial Services (O.F.S.) stocks, including international financial institutions.

FINANCE

Table of finance stocks, including banks and financial services companies.

OIL AND GAS

Table of oil and gas stocks, including energy companies.

Diamond and Platinum

Table of diamond and platinum stocks, including precious metal producers.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL AND IRISH STOCKS

Table of regional and Irish stocks, including companies from various countries.

3-MONTH Call Rates

Table of 3-month call rates for various currencies and markets.

INSURANCES

Table of insurance stocks, including major insurance companies.

LEISURE

Table of leisure and entertainment stocks, including service and retail companies.

Skemmersdale For full details on land, building and grants available, phone: Skemmersdale (0695) 32123.



Polish riot police clash again with Solidarity

BY OUR FOREIGN STAFF POLISH RIOT police yesterday battled with supporters of Solidarity, the banned independent trade union, in the Northern city of Gdansk for the second consecutive day.

The International Labour Organisation. Mr Jerzy Urban, Poland's official government spokesman, said riot police had moved in on Monday with tear gas and water cannons to disperse 1,000 demonstrators outside the Lenin yard.

Gdansk, Sopot and Gdynia. Away from the Baltic coast, Poland's factories were reported quiet. Yesterday's Gdansk sit-in ended peacefully at 2 pm.

Labour Organisation, part of the United Nations made public its criticism of the new labour law passed by the Polish Parliament on Friday.

These are among the demands of the Gdansk strikers, who also want Solidarity restored and Mr Walesa released.

U.S. Bills market for London

By Peter Montagnon, Euromarkets Correspondent A NEW financial market opens in London today when Credit Suisse First Boston becomes the first institution willing to guarantee a market in U.S. Treasury Bills outside the U.S.

State 'should aid political parties'

POLITICAL parties should be supported from public funds to enable them to assemble a team of officials ready to move into the Civil Service, Sir John Hoskyns, former head of Mrs Margaret Thatcher's Policy Unit, in Downing Street, said last night.

Shell to cut 800 jobs in research

THE Royal Dutch/Shell Group is to cut about 800 jobs in its European research centres. The UK and the Netherlands will bear the brunt of the cuts.

Index fell 2.2 to 603.9

The Bank of England has received the weekend message from across the Atlantic loud and clear. Yesterday it cut bill rates by another quarter point just as the Harriers were roaring above the Mansion House.

THE LEX COLUMN Putting a point to the banks

for the Revenue and some malpractices may continue. But the economic arguments for not over-burdening UK companies probably outweigh this cost.

Index fell 2.2 to 603.9



Clive Discount 'Very profitable' is Clive Discount's description of its trading in the April-September period.

Cable television

hand, welcomed the report. Redifusion, the largest cable company, described it as "enlightened" and urged the Government to act swiftly on its recommendations.

Continued from Page 1

Ownership by Government or political or religious organisations should not be permitted. There is one reason why the same company should not hold several franchises, says the report.

Weather

UK TODAY RAIN, Windy, Bright intervals. Cold. London, most of England, Wales, Channel.

Worldwide

Table with columns for location, Y'day, and Y'day midday. Includes cities like Ajaccio, Algiers, Athens, etc.

Interest rates

after reaching a 611 peak in early trading. The London markets will be waiting eagerly to see if the Bank of England makes further signals this afternoon that it wants lower interest rates.

Oil crisis

view has not gone away—it is only hiding behind economic problems," said Mr Wallace Hopkins, agency deputy director. The two oil crises of the 1970s had derailed economic opportunities.

SDP battles against drop in membership

THE TOTAL membership of the Social Democratic Party has fallen by more than a sixth since the early spring and the party has found it much more difficult than expected to raise money from large companies in industry and the City.

Advertisement for Tokai Bank. 'People come to Tokai because Tokai takes charge.' Includes an illustration of a smiling face and a group of people.

Continued from Page 1. The party claims that about three-quarters of its original members had renewed their subscriptions up to the summer. This is regarded by the party's leadership as satisfactory.

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